

MITSUBISHI MOTORS

Sustainability Report 2019



**MITSUBISHI
MOTORS**

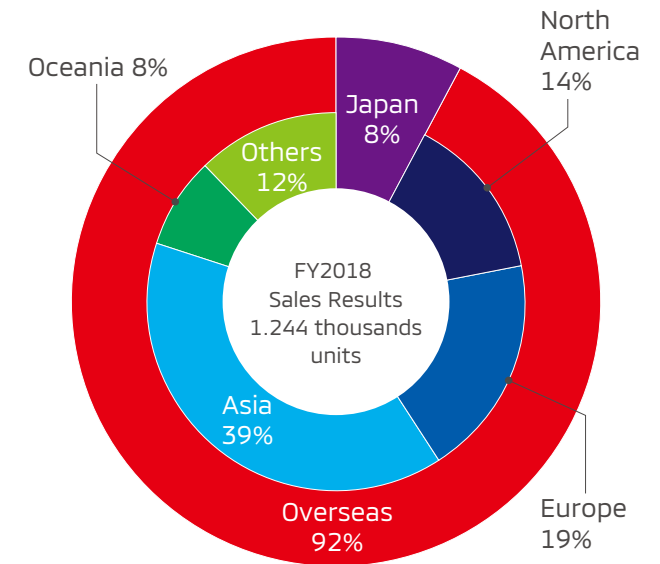
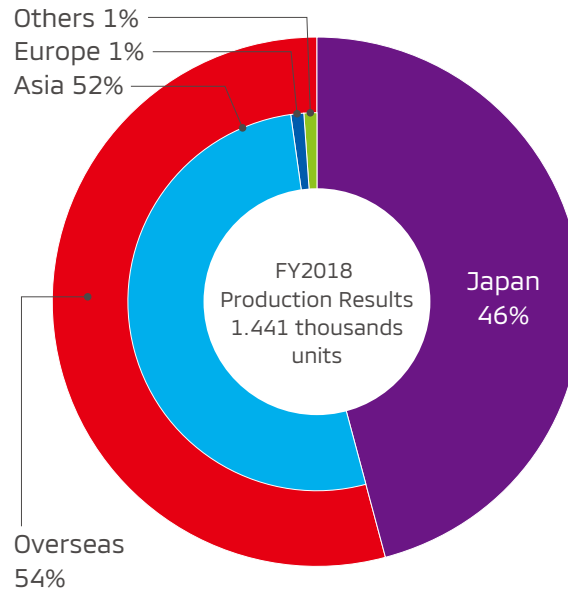
Drive your Ambition

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Corporate Overview (As of March 31, 2019)

Company Name	mitsubishi motors corporation
Established	April 22, 1970
Head Office	1-21, Shibaura 3-chome, Minato-ku, Tokyo, 108-8410
Business Description	Mitsubishi Motors Group carries out development, production and sales of vehicles and vehicle parts and engages in the financial businesses.
Brand Name	MITSUBISHI MOTORS
Capital Stock	284,382 million JPY
Number of Shares Issued and Outstanding (Common Stocks)	1,490,282,496 (including treasury stock)
Number of Employees	Consolidated: 31,314 Non-consolidated: 14,171

Global Sales and Production Volumes



Consolidated Net Sales, Operating Income, Ordinary Income and Net Income Attributable to Owners of the Parent

(Unit: million yen)

	FY2015	FY2016	FY2017	FY2018
Net Sales	2,267,849	1,906,632	2,192,389	2,514,594
Operating Income	138,377	5,118	98,201	111,815
Ordinary Income	141,027	8,944	110,127	119,850
Net income attributable to owners of the parent	72,575	△198,524	107,619	132,871

◆ Production volume by region

(Thousands of units)

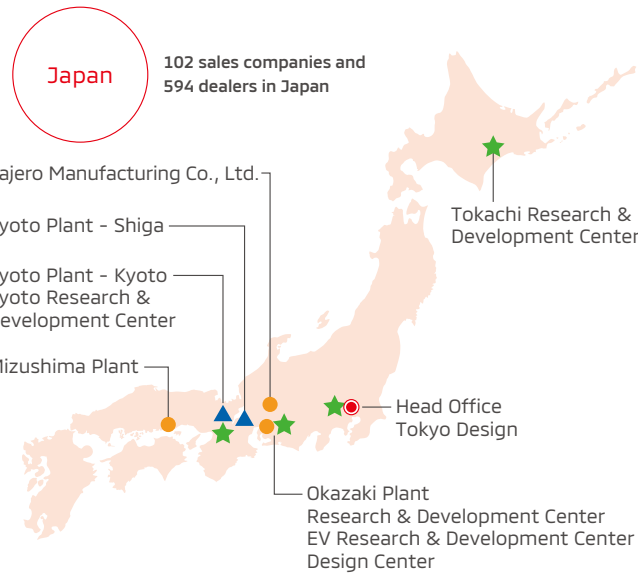
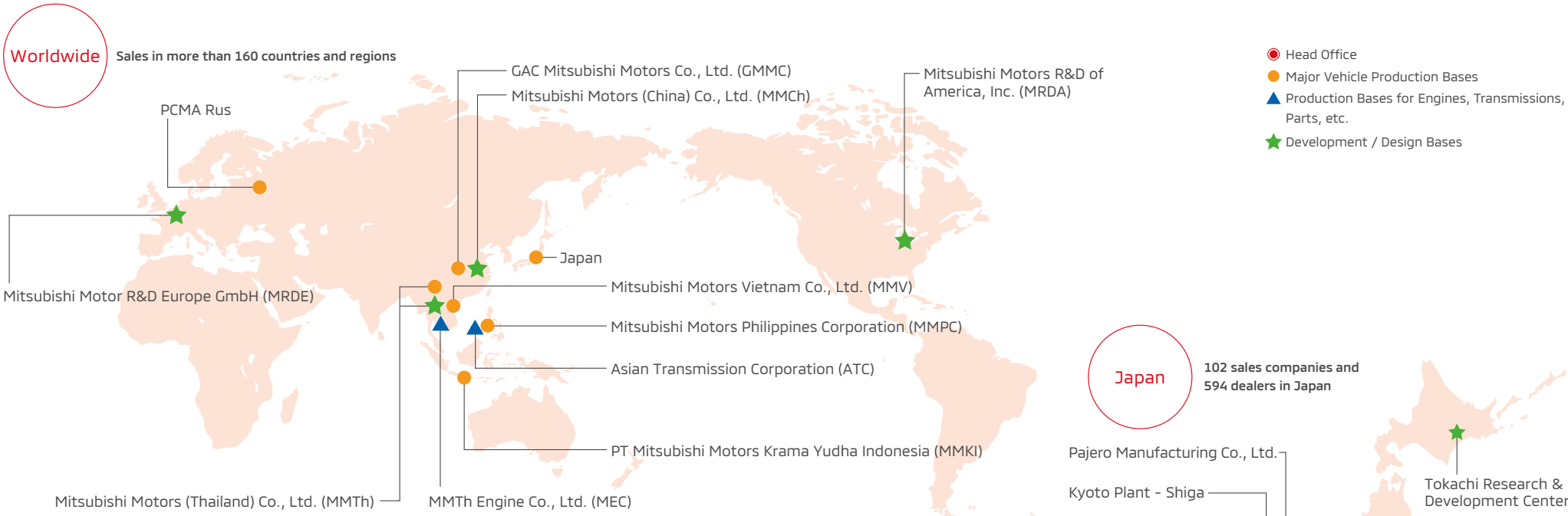
	FY2015	FY2016	FY2017	FY2018
Japan	653	531	590	661
North America	38	—	—	—
Europe	3	—	1	10
Asia	490	533	661	752
Others	24	15	19	18
Total	1,208	1,079	1,271	1,441

◆ Sales volume by region

(Thousands of units)

	FY2015	FY2016	FY2017	FY2018
Japan	102	80	97	104
North America	135	138	155	173
Europe	206	179	193	236
Asia	322	315	432	481
Oceania	82	83	95	102
Others	201	131	129	148
Total	1,048	926	1,101	1,244

Principal Facilities



Major Production Bases	Vehicles	Japan, China, Thailand, Indonesia, the Philippines, Vietnam and Russia
	Engines, transmissions, parts, etc.	Japan, China, Thailand, Indonesia, and the Philippines
Development / Design Bases		Japan, United States, Germany, China, and Thailand

CSR Management

Policies

The Three Principles of the Mitsubishi Group

The Three Principles represent the spirit of Mitsubishi since its founding and embody the fundamental philosophy shared by all Mitsubishi Group companies.

Shoki Hoko
= Corporate Responsibility to Society

Strive to enrich society through our business, both materially and spiritually, while contributing towards the preservation of the global environment.

Shoji Komei
= Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

Ritsugyo Boeki
= Global Understanding through Business

Expand business, based on an all-encompassing global perspective.

Vision & Mission

In April 2018, Mitsubishi Motors established a new corporate Vision and Mission. This mission enabled its group employees to look towards the future, develop a common understanding, and work as one team. The automobile industry is in a period of major change, and Mitsubishi Motors' business environment

is also undergoing substantial changes. Under these circumstances, the Vision (the society we want to create) and Mission (how to realize the Vision) specify how we become more proactive to exert a positive influence on society.

VISION

Create a vibrant society by realizing the potential of mobility

MISSION

1. Provide new experiences for our customers with creative products and service excellence.
2. Make positive contributions to the sustainable development of our society.
3. Act sincerely as a trusted company.
4. Enhance stakeholder value by leveraging the alliances.

The automobile industries have been creating numerous technologies and innovations including the powertrain diversification, intelligence and IoT (Internet of Things) into vehicles. The role of the automobile has been and will be transformed from a "car" as a type of hardware currently to "mobility" as a transportation system entirely. Under such a major transition, we are committed to research and develop the potentialities of mobility broadly and to provide all people with possible opportunities to go wherever they want, to see whatever they want, and meet whomever they want, at any time. Our Vision embraces our desire to encourage individuals to take on new challenges, promote economic activities, and contribute to the revitalization of society by improving the efficiency and optimizing movement of the people.

Approach to CSR

Mitsubishi Motors strives to carry out its Mission and realize its Vision by encouraging each employee to practice the MMC Way and the Global Code of Conduct. We contribute to the sustainable development of society while deepening mutual understanding with diverse stakeholders through dialogue, and engaging in business activities centered on automobiles, which are the products we see and use every day.



CSR Management

Management

Framework for Promoting CSR

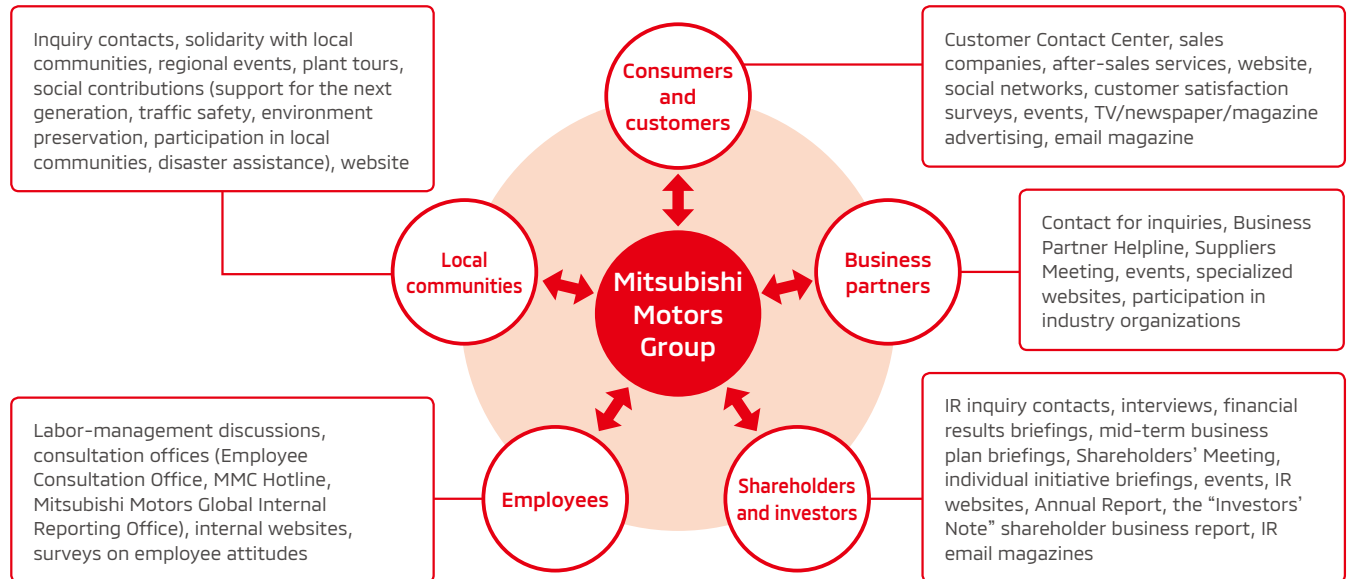
At Mitsubishi Motors, the CSR Management Committee, chaired by the CEO, implements a PDCA (plan-do-check-act) cycle that involves identifying material CSR issues (materiality), setting activity targets and checking progress toward attainment of those targets. Structures are in place for promoting CSR throughout the Mitsubishi Motors Group and reporting on important matters to the Board of Directors.

No. of CSR Management Committee meetings in fiscal 2018: **4**

In April 2019, we established Sustainability Promotion Department under the executive officer in charge of Corporate Strategy. While strengthening communication with stakeholders, we will contribute to realize a sustainable society and improved corporate value.



Dialogue with Stakeholders



Participation in External Organizations

- Japan Business Federation (Keidanren)
- Japan Automobile Manufacturers Association, Inc.
- Society of Automotive Engineers of Japan, Inc.
- Global Compact Network Japan (GCNJ)

External Initiatives Supported or Referred to

- United Nations' Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC)
- Core Labor Standards of the International Labour Organization (ILO)
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- ISO 26000 Guidance to Social Responsibility
- Keidanren Charter of Corporate Behavior

CSR Management

Identification of Material CSR Issues (Materiality)

Identification Process

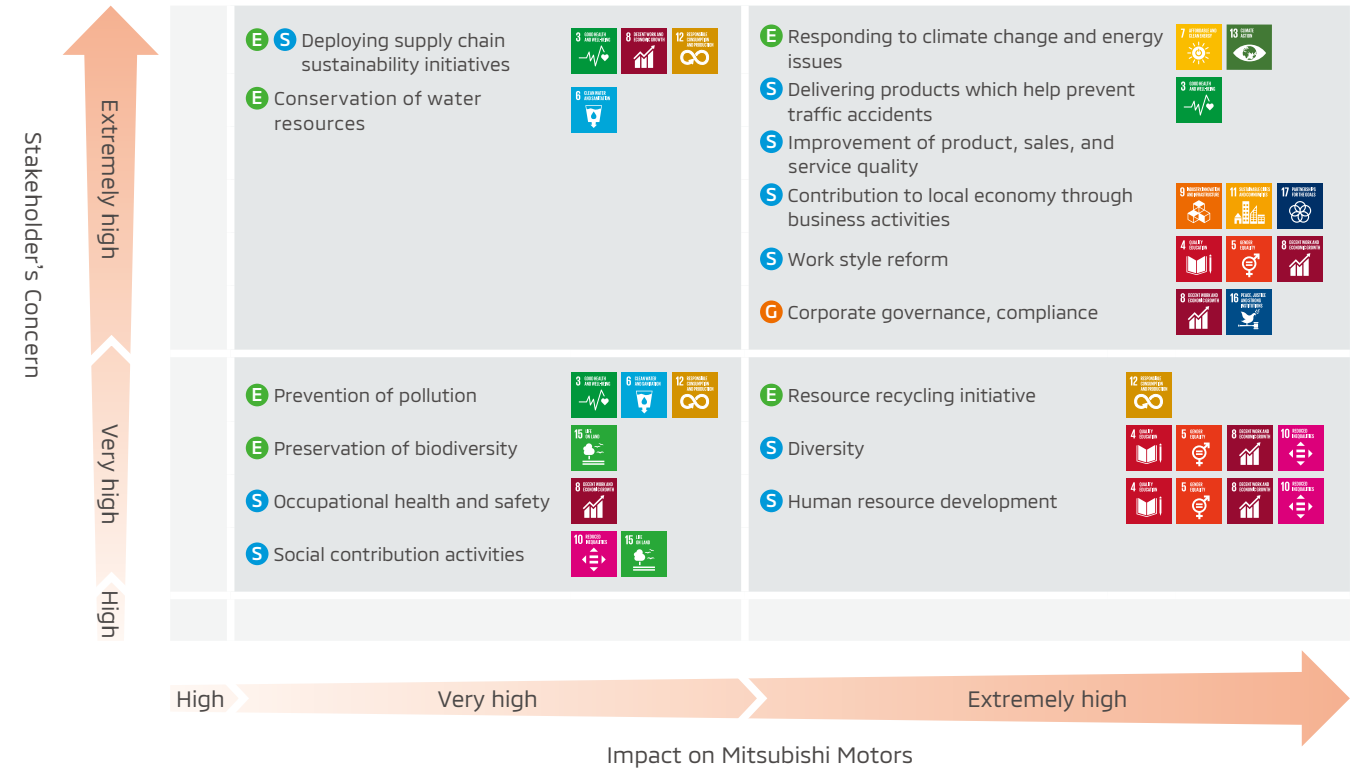
Mitsubishi Motors followed four steps to identify material CSR issues (materiality).



Identified Material CSR Issues (Materiality)

The following 15 issues were identified as the issues the company should prioritize in environment (E), social (S) and governance (G) areas (E: 5 issues; S: 8 issues; E&S: 1 issue; G: 1 issue).


Material CSR Issues (Materiality) for Mitsubishi Motors














* E: Environment; S: Social; G: Governance

CSR Management

Identification of Material CSR Issues (Materiality)



*1 ★★★ : Achieved
 ★★☆☆ : 
 ★☆☆☆ :
 ☆☆☆ : Not Achieved
 — : Not applicable

















◆ Details of Main Measures for Material CSR Issues (Materiality)

Category	Material CSR Issues	Details of Initiatives	FY2018 Targets (Ideal image)	Indicator	FY2018 Results	Self-Evaluation*1	Related SDGs
E: Environment	Responding to climate change and energy issues	Formulate an environmental vision (for post-2020)	Gather information and sort through issues	—	Gathered information and sorted through issues	★★★	 
		Reduce CO ₂ emissions while driving	CO ₂ emissions per new vehicle while driving: 8% reduction compared to FY2010	CO ₂ reduction (%)	-13%	★★★	
		Reduce amount of CO ₂ emitted by production activities	CO ₂ emissions at production facilities per production vehicle: 35% reduction compared to FY2005	CO ₂ reduction (%)	-46%	★★★	
		Reduce amount of CO ₂ emitted by non-production activities	Unit CO ₂ emissions in non-production facilities: 1% reduction compared to FY2017	CO ₂ reduction (%)	-8.4%	★★★	
		Reduce amount of CO ₂ emitted by logistics activities	CO ₂ emissions per unit of transportation in Japan: 8% reduction compared to FY2010	CO ₂ reduction (%)	-8.8%	★★★	
		Promote the acquisition of Eco-Action 21 certification to our dealers	New certifications: 8 dealers or more	Number of certified dealers	New certifications: 13 dealers	★★★	
	Conservation of water resources	Investigate water risks in production activities and formulate reduction plans based on the results	Implementation of water risk survey at production facility	—	Implementation of water risk survey	★★★	
	Resource recycling initiative	Encourage recycling of drive batteries of electric-powered vehicles	<ul style="list-style-type: none"> Set up a common electric vehicle drive battery collection system Revise guidelines for assessing ease of dismantling Selecting materials with outstanding recyclability 	—	<ul style="list-style-type: none"> Constructed joint collection scheme for drive batteries for electric vehicle and started of use Issued the revised edition of dismantling evaluation guidelines Promoted the selection of materials with outstanding recyclability 	★★★	
		Reduce volume of disposal in production activities	Externally-disposed waste of production activities per production vehicle: 52% reduction compared to FY2005	Reduction of external waste disposal	-52%	★★★	
	Prevention of pollution	Properly manage hazardous substances in products	Properly manage hazardous substances in products	—	Continued of correct management including legal movements	★★★	  
Reduce emissions of VOCs in production activities		35g/m ² or less of VOC*2 emissions per painting area in production activities *2: VOC stands for Volatile organic compounds	VOC emissions	38g/m ²	☆☆☆		
Preservation of biodiversity	Survey wildlife at domestic business sites and expand the scope of biodiversity preservation activities	<ul style="list-style-type: none"> Implemented ecosystem survey at Tokachi Research & Development Center Plant and grow trees at Pajero Forest Plant trees in the Philippines 	—	<ul style="list-style-type: none"> Implemented ecosystem survey as planned Employee volunteers planted trees twice a year Planted trees over 32 ha 	★★★		
E: Environment S: Social	Deploying supply chain sustainability initiatives	Reinforcement of CSR in Supply Chain	We promote healthy supply chain management by ensuring full consideration is given to the environment, labor and human rights in the supply chain	<ul style="list-style-type: none"> Promoting the purpose of Supplier CSR Guidelines Recommendation of third party supplier CSR evaluations 	<ul style="list-style-type: none"> Updating Supplier CSR Guidelines and providing supplier briefing sessions Explaining the aims of third party evaluations to suppliers 	★★★	  

CSR Management

Identification of Material CSR Issues (Materiality)

*1 ★★★ : Achieved
 ★★☆☆ : 
 ★☆☆☆ : 
 ☆☆☆☆ : Not Achieved
 — : Not applicable

Category	Material CSR Issues	Details of Initiatives	FY2018 Targets (Ideal image)	Indicator	FY2018 Results	Self-Evaluation*1	Related SDGs
S: Social	Delivering products which help prevent traffic accidents	Efforts to eliminate fatal road accidents	Establishment of approach (framework) to safety technology	Completion period for establishment of approach (framework) to safety technology	Approach (framework) to safety technology established January 2019	★★★	
	Improvement of product, sales, and service quality	Improving Product Quality	Top level Quality from Customer viewpoint	Ratio of defects identified within 3 months in service of new vehicle sale	Reduction in ratio of defects identified within 3 months in service of new vehicle sale	★★★	
		Improving Sales Quality		SSI (Sales Satisfaction Index)	SSI (Sales Satisfaction Index) Achievement of Top 3 positioning in two of the key management countries	★★☆	
		Improving Service Quality		CSI (Customer Satisfaction Index)	CSI (Customer Satisfaction Index) Achievement of Top 3 positioning in four of the key management countries	★★☆	
	Contribution to local economy through business activities	Contribute to local economies through employment, human resource development, investment, transfer of technology, and exports	Undertake and continue business activities in the ASEAN region to contribute to regional economic development, for example through employment, human resource development and technology transfer	—	<ul style="list-style-type: none"> No. of locally hired employees at consolidated subsidiaries in Thailand, Indonesia, and the Philippines: More than 11,000 Implemented various training programs for improving operational levels and technology Formulated a plan to boost production capacity at our Indonesia plant Carried out joint research with governments, universities and others in Indonesia, the Philippines and Vietnam Made efforts to improve quality, operational efficiency and productivity at factories Supported regional economic growth through exports 	★★★	  
	Work style reform	Promotion of work style reforms	Correction of long working hours and promotion of taking paid leave	Total working hours	within 2,152 hours/year	★★☆	  
	Diversity promotion	Promotion of women's participation and advancement in the workplace	Have 100 women in management by the end of FY2020	Number of female managers	68	★★☆	   
		Promotion of employment of people with disabilities	Promote stable, continual employment of people with disabilities	Percentage of employees with disabilities	2.19%	★★☆	
		Promotion of LGBT awareness	Create workplace environments where LGBT people find it easy to work	External indicator	PRIDE Index: Receive Gold status (top rating)	★★★	
	Human resource development	Expansion of human resource development program	Promote development of human resources who practice the MMC WAY	Education program	Strengthened outside training open to all employees	★★★	
Occupational health and safety	Creation of safe workplaces	Realize safe and secure workplaces	Overall accident rate *No. of accidents with or without loss of workdays per 1 million working hours	0.41	★★☆		
Social contribution activities	Undertake activities in cooperation with local communities, NGOs, and other organizations	Social contribution expenditure: 1.0% of ordinary income*3 *3. MMC non-consolidated ordinary income	Social contribution expenditure as a ratio of ordinary income	1.05%	★★★	 	
G: Governance	Corporate governance, compliance	Reinforce internal controls within the Mitsubishi Motors Group	Start establishing and operating internal control committees at subsidiaries and associates in Japan and overseas in FY2018	No. of companies	Started operating internal control structures at all 19 companies	★★★	 
		Establish global whistleblowing contacts (early detection/emergence of risks)	Start operating contacts at 20 companies (MMC and subsidiaries and associates in Japan and overseas) in FY2018	No. of companies	Started operating contacts at all 20 companies	★★★	
		Respond to the EU General Data Protection Regulation (GDPR)	Protect the privacy of people (customers, employees, business partners) in Europe	No. of cases of non-compliant transfer or processing of data	0	★★★	



Full Devotion to Tackling Material CSR Issues Together with Stakeholders

The foundations for CSR activities pursued by Mitsubishi Motors are expressed in the Three Principles, representing the fundamental philosophy of the Mitsubishi Group; our Vision of the society we want to create; and our Mission, being the path to realizing the Vision. In fulfilling our Vision of creating “a vibrant society by realizing the potential of mobility,” it is essential that we work together with customers, business partners, dealers, shareholders, local communities and all other stakeholders. While continually learning from and imparting knowledge to stakeholders, we are fully devoted to tackling the company’s material CSR issues (materiality).

Drawing on Unique Strengths in Quickly and Flexibly Adapting to Changes in the External Environment

As illustrated by initiatives such as the Sustainable Development Goals (SDGs) adopted by the United Nations, the Paris Agreement, an international accord on climate change, and recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), the international community is stepping up introduction of targets and rules for dealing with social issues.

Alongside the formulation of international targets, countries and regions worldwide are continually tightening fuel efficiency restrictions and standards, a trend that is impacting policy even in emerging economies in ASEAN and elsewhere.

Mitsubishi Motors, too, is putting in place structures for keeping a close eye on, and responding quickly to, such social developments. Besides adapting research and development activities to comply with laws and regulations, employees keep international targets and frameworks at front of mind as they carry out their duties.

We are also directing energy into development of technologies and services that meet diversifying customer needs in view of recent major expansion of the potential of mobility. While drawing on Mitsubishi Motors’ heritage and unique strengths, we will respond with speed to changes in the external environment.

A Pledge to Respect All Involved in Our Business and to Comply with International Norms

Changes in social trends are a theme that extends beyond products. We are required to show consideration toward employees and all other people involved in business operations, for example in regard to respect for human rights and diversity.

In May 2019, Mitsubishi Motors signed up to the United Nations Global Compact in a clear show of intent to respect human rights and pursue business responsibly. At the same time, we formulated human rights policies and issued a declaration that all officers and employees would respect the basic human rights of stakeholders related to business activities. In supporting the ten principles of the UN Global Compact, we seek global communication and implementation of the human rights policies.

As a company operating across the globe, Mitsubishi Motors recognizes the importance of respecting diversity. So far, we have made progress creating the right environment based on our Diversity Promotion Policy and an action plan to promote women's participation and advancement in the workplace. Behind our positioning of diversity as one of the material CSR issues is a goal to pursue it with even greater commitment. We will work to realize workplace environments where all employees, regardless of their nationality, age, sex or other factors, can maximize their individual abilities and fully exert themselves.

Focusing on Regions and Products Where Strengths Lie to Contribute to Society through Activities Demonstrating Mitsubishi Motors' Character

The concept of Mitsubishi Motors' next mid-term business plan, launching in fiscal 2020, is "Small but Beautiful." This refers to the sale of competitive products that reflect our special strengths, focusing on the regions where we are strong—a message of intent to keep growing at a steady pace.

The same can be said for CSR activities. Mitsubishi Motors has for many years directed efforts into spreading electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), which can demonstrate their worth in times of disaster or other emergencies, contributing to a sustainable society.



In the ASEAN region, where we have carried out business activities over many years, we are actively seeking resolutions for the region's social issues. Our aim is to achieve sustainable growth together with local communities while drawing on the characteristics unique to Mitsubishi Motors.

Looking ahead to the fulfillment of our corporate Vision of creating a vibrant society by realizing the potential of mobility, we will clarify the issues we need to address, and measures we need to take, within environmental, social and governance areas, particularly in the context of material CSR issues (materiality). In this way, we will contribute to the sustainable development of society.

As a final word, in June of this year, we made the transition to become a company with three committees. Through this action, clear separation of the supervisory and executive functions of management has been achieved. As such, while continuing to further strengthen supervision and crisis management for the establishment of sturdy and transparent management, we will realize the execution of swift operations in quick response to changes in the business environment.

Takao Kato

Member of the Board
Representative Executive Officer, CEO
Mitsubishi Motors Corporation

Material CSR Issues Responding to Climate Change and Energy Issues

Drawing on Mitsubishi Motors' strengths and characteristics to tackle environmental issues with a vision

Mitsuhiko Yamashita
Technical Advisor to the Chairman



Mitsubishi Motors' Vision is to "Create a vibrant society by realizing the potential of mobility," and one element of the Mission for realizing the Vision is, "Make positive contributions to the sustainable development of our society."

Automobiles bring enormous convenience to people's lives. However, their impact on the environment is large. As a company that produces and sells automobiles, Mitsubishi Motors acknowledges it has a duty to respond to climate change and energy issues associated with global warming. Based on this understanding, we will contribute to the creation of a sustainable society not only through activities aimed at reducing environmental impact, but also by bringing effective products and technologies into the mainstream.

Focusing on the features of Mitsubishi Motors and local communities

The Environmental Working Group set up in FY2018 gathered and sorted through 78 parameters of basic data relating, for example, to socio-economic conditions and associated trends in the automobile industry, the company's standing, and environmental assessments. From that data, the working group identified issues the whole world currently faced and issues specific to Mitsubishi Motors. It is now exploring ways to resolve those issues.

Our approach is to deliver a community-oriented

contribution while taking full advantage of the company's strengths.

We have been developing and producing electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) for many years now and believe that assisting the spread of these electric vehicles would contribute significantly to the reduction of greenhouse gases.

Our electric vehicles would also be useful in developing a resilient society that can quickly recover from disasters. Natural disasters are on the rise in this time of climate change, creating new challenges in ensuring readiness. If the power supply to homes and offices was to be cut off, our electric vehicles could be harnessed as emergency power supplies. In fact, many Mitsubishi SUVs and electric

Related SDGs



vehicles already have played a role in relief efforts in disaster-affected areas. We will also contribute to countries and regions where we do business by working with them to find solutions to environmental issues. In emerging nations, in particular, rapid economic growth has led to higher volumes of road traffic, exacerbating environmental problems like air pollution. We will be closely involved in efforts to resolve issues faced by emerging nations, not only through the spread of electric vehicles, but also by supporting establishment of associated infrastructure and advancing activities such as provision of environmental education.

Ensuring employees take ownership of environmental issues

Mitsubishi Motors is currently in the process of formulating its next environmental vision, looking beyond 2020. As we set out to realize the vision, it will be essential that all employees seek to heighten their environmental literacy. The Environmental Working Group is looking to

raise the level of environment-related knowledge and awareness, sharing data it gathers with many employees. Besides CO₂ emissions, a broad range of factors demand our attention, including renewable energy and waste. Each and every employee must take ownership of environmental issues, imagining how the world would fare if matters were to deteriorate further. Environmental activities of the entire Mitsubishi Motors Group need to evolve, and it starts with employees, having them adopt the mindset of asking what they can do to help, and what contribution, however small, their jobs can make in finding solutions to environmental issues.

**Specific Measures to Address
Material CSR Issues**

Policies P.26

Environmental Management P.29

Responding to Climate Change and Energy Issues

 Initiatives with regard to Products P.34

 Efforts in Production P.39

 Efforts in Distribution P.40

 Efforts in Offices and Dealers P.41

Resource Recycling Initiatives

 Initiatives with regard to Products P.43

Material CSR Issues **Delivering Products which Help Prevent Traffic Accidents**

Our goal is to develop and spread safety technologies aiming to eliminate fatal road accidents

Jun Miura

Corporate Vice President
Division General Manager
Development Management Div.



Approximately 1.35 million people are lost in traffic accidents worldwide every year*. As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing the number of traffic accidents is a pressing issue across the globe and the United Nations Sustainable Development Goals (SDGs) also called for halving the number of global deaths and injuries from road traffic accidents by 2020 (Target 3.6).

Mitsubishi Motors will contribute to the realization of a safe and secure society where there are no traffic accidents and is working to ensure comprehensive product safety and to develop technologies for maintaining safety while driving.

**Global status report on road safety 2018, WHO*

Preventing serious accidents by cutting out unsafe incident

Among various traffic accidents, the first thing that should be reduced is a serious accident that causes death or serious injury. Behind a serious accident, there are many minor accidents and “near incidents” that do not cause accidents. For this reason, we believe that we can reduce the number of minor accidents and prevent serious accidents by picking out the hundreds of small signs before a serious accident occurs.

We are working on the development of safety technology to avoid the occurrence of this “unsafe behavior” and “unsafe

condition” from a technological perspective. In addition to basic technologies and technologies specialized for specific functions, we aim to realize a society where people and cars can move safely through new technologies brought about by the evolution of AI and connected technology.

Being proactively involved in the development and spread of safety technologies

In fiscal 2018, the Product Safety Committee took the lead in reorganizing the concept and definition of product safety. here,

Related SDGs



"1. Technology to prevent traffic accidents (Active safety)",
 "2. Technology to reduce damage from traffic accidents (Passive safety)",
 "3. Avoidance of dangers assumed as industrial products (Risk prevention)",
 The product safety framework is formulated based on these three points.
 In addition to promoting the R&D safety philosophy and safety framework to R&D members, the R&D as a division work together to develop safety technologies.
 We are also collecting and analyzing driving environment data such as speed, road conditions, and driver attributes at the time of the accident from actual accident data. From these data, we can see the harsh reality that no matter how careful we are, it is inevitable that people will make mistakes. However, people can also think of technology to prevent this. With the desire to be deeply involved here, we continue to develop and promote technologies that support safe driving.

Towards a safe and secure society

There are limits to what can be done with the efforts of individual automobile manufacturers to reduce traffic accidents, and collaboration with various stakeholders such as governments and companies that are responsible for transportation infrastructure is indispensable. Raising the safety awareness of drivers and pedestrians is also an important factor, and is responsible for raising the awareness of all stakeholders.
 There are many challenges for the future, but since the roles and goals that we should play are clear, we would like to steadily carry out each and every effort to achieve a safe and secure society without traffic accidents.

Specific Measures to Address Material CSR Issues	
Basic Approach to Safety	P.66
Management Structure	P.66
Development of Safety Technology	P.66
Traffic Safety Education and Promotion	P.69

Material CSR Issues Improvement of Product, Sales, and Service Quality

Enhancing quality at every touchpoints with customers

Koji Yamada
Executive Officer
Division General Manager, TCS Div.



Mitsubishi Motors adopts a total customer satisfaction (TCS) approach, defining quality as “that required to deliver satisfaction to the customer at every touchpoints with customer.” This includes not only products, but also sales activities and customer service.

Under the TCS approach, we recognize four core areas where we are to pursue quality improvements: product quality, perceived quality, sales quality and service quality. We want customers to be satisfied with Mitsubishi Motors at every touchpoint with the customer during the process from the moment they start thinking about buying a vehicle to when they visit a dealer, encounter our vehicles in person and become recipients of our customer service. This is reflected in our human resources development, systems and frameworks, and vehicle development.

Quality is an important business foundation

In fiscal 2018, we worked on revising our quality policy and discussed at length the question, “What exactly is quality policy?” Our quality policy had to be the basis for all quality-related activities, and after identifying necessary elements—the indication of a goal to reach and a statement of priorities—we started exploring the detail and the wording.

The result was we made it known that we position quality as an important foundation for business and declared we would pursue product quality, and sales and service quality, to a level above and beyond what

customers expected.

In putting this into practice, another key aspect is the emphasis we place on company-wide improvement of management quality. To improve quality, we need to enhance the quality of business activities, even in departments not directly related to the four quality pillars product, perceived, sales and service. This is because we believe individual employee efforts to review and raise the quality of their own job performance will lead to qualitative improvements of products, people and, in turn, the company.

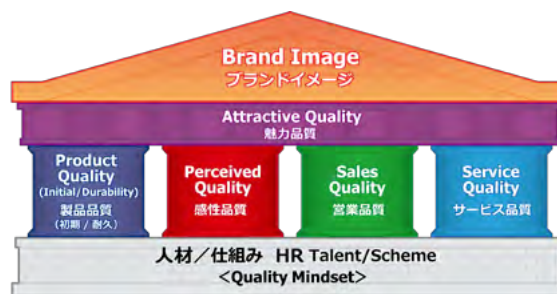
The driver behind this company-wide improvement of management quality is a quality-oriented mindset and the “Quality Forums” we hold each year play a role in elevating

that mindset. They are a valuable opportunity to learn from quality improvement measures undertaken by other departments and to coordinate action on issues. Success stories also help to lift motivation. In fiscal 2018, Quality Forums were held overseas for the first time, providing a real sense that the initiative is contributing to heightened quality awareness across the entire Mitsubishi Motors Group.

Aiming for top levels of quality

As a long-term vision, Mitsubishi Motors wants to gain customer recognition for delivering top levels of quality, and we have identified improvement of product, sales and service quality as a material CSR issue (materiality). As objective measures of our achievement in this area, we employ customer satisfaction rankings compiled by outside parties, as well as scores assessed through our own independent surveys. Objective data on points made by customers is gathered and analyzed before incorporation into action plans that are implemented to bring about improvements.

In the area of product quality, we made steady progress on reducing malfunctions and defects during fiscal 2018, but still have much work to do in reducing instances of dissatisfaction. As for sales and service quality, we met some targets, but many issues were thrown into sharp relief. In fiscal 2019 and beyond, we plan to work on finding solutions to issues that have come to light, though they are more complex than they used to be. Assuming a customer's perspective of issues and tackling them with firm resolve, we will make a concerted, company-wide effort to realize the top levels of quality.



Mitsubishi Motors Approach to Quality - MMC Quality House

Specific Measures to Address Material CSR Issues

Policy	P.70
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Material CSR Issues

Contribution to Local Economy through Business Activities

Contributing to community development and the resolution of community issues, our aim is to grow together with society

Yoichiro Yatabe
Executive Officer
Senior Vice President (ASEAN)



Mitsubishi Motors operates in more than 160 countries and regions around the world. Each country and region has different rates of growth and faces different social issues. We therefore believe that aiming to grow together with the communities in which we operate by tackling development and the resolution of issues in step with those communities will lead to a sustainable society, and in turn, sustainable growth for our company.

Contributing to the economy through five initiatives

In expanding our business globally, we value the gratitude we feel toward communities for giving us the opportunity to do business there. In the ASEAN region, amid rapid social change on the back of remarkable economic growth, serious social issues are emerging, such as economic disparity, health problems, and educational issues. We will face these issues together with the communities. Taking into account the needs of stakeholders, including governments, business partners, residents and

employees, we are working on five specific initiatives: employment, human resource development, investment, technology transfer, and export business. Of primary importance among these five initiatives is employment. Creating stable job opportunities is effective for resolving a wide range of issues, not just economic issues, but also those related to education and health. Based on the stable supply of jobs, we are also putting effort into the development of global-minded human resources, including personnel exchanges such as the dispatch from affiliated companies to our company. We also consider investment, technology transfer and export business as initiatives integral to our business activities. More than just producing and selling cars to

Related SDGs



meet vigorous domestic demand, further investment and technology transfer are essential for exporting cars to countries inside and outside ASEAN. Furthermore, based on a shared social contribution policy, each of our companies in ASEAN are engaged in such social contribution activities as support for vocational training schools, tree planting activities and recovery support for areas struck by disaster. In order to provide an environment and opportunities where everyone can attempt anything any time, we will continue to engage actively in finding solutions for social issues, by listening to community voices and making the most of our company's know-how and strengths. Through more than 50 years of business activities in the ASEAN region, our business has expanded alongside growth of the economy and society. By supporting the resolution of social issues, we will continue to live in harmony with communities while aiming for sustainable growth.



Five Themes that Contribute to Local Economies

**Specific Measures to Address
Material CSR Issues**

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Material CSR Issues Work Style Reform

We will put effort into work style reform, supporting employees in changing their own way of living

Tetsuya Hashimoto
Corporate Vice President
Division General Manager,
Human Resources Div.



Amid a rapidly changing environment surrounding the automobile industry, in order for Mitsubishi Motors to achieve sustainable growth and improved corporate value, we need to aspire to be a company that demonstrates a presence, launching products focused on our strengths in regions where we have an advantage. The driving force for achieving this is “people.”

Relative to other companies in the industry, Mitsubishi Motors has fewer employees. While this means that each of our workers has a broader scope of responsibility, we are proceeding with work style reform so that they can feel a sense of job satisfaction and can fully express their abilities.

Selection of work styles to suit each individual’s lifestyle

I think employees work for the sake of their own development and for the happiness of their families and others around them. Work style reform means asking each employee what kind of lifestyle they want to live, and getting them to change their own way of living (innovation). At the heart of work style reform is how you use time for yourself and how you effectively use time for the people who are important to you, such as for raising children and caring for family members. To support this individual reform to the fullest, we are putting effort into

enabling employees to choose the way they work. In fiscal 2018, we set targets and indicators for various initiatives aimed at redressing long working hours, encouraging employees to take paid leave aimed at promoting flexible work styles such as redressing long working hours, encouraging employees to take paid leave, and making good use of telecommuting. In fiscal 2019, in addition to further promoting these initiatives to reduce total working hours, the Work Style Reform Committee—comprised of the division general managers and similarly ranked managers of each department, and led by the CEO—will share the best practices independently devised by each department, leading to the expansion and entrenchment of measures at the company-wide level.

Related SDGs



**Focusing on developing human resources
that embody MMC WAY**

Along with the Three Principles and the corporate Vision and Mission, MMC WAY is an integral policy when it comes to human resources development. MMC WAY clarifies the mindset and actions required of our employees. Specifically, there are six standards: cross-functional, transparent, look outward, commit, challenge, and perform. By introducing the degree to which employees embody these standards into the personnel evaluation system, for instance, we are focused on nurturing personnel who can embody MMC WAY, and by extension, contribute to the development of Mitsubishi Motors.

**Retaining and nurturing diverse human
resources**

In recent years, there has been a variety of nationalities among new employees, and a diverse mixture of personnel working at Mitsubishi Motors. Amid a rapidly

changing social and market environment, in order to respond flexibly to these changes, a work environment is necessary where employees with different values and ideas can respect each other and work hard together. To this end, we have also set targets and indicators for the promotion of diversity measures. In terms of the participation and advancement of women in the workplace, we have set a goal of 100 women working at the management level by the end of fiscal 2020 (68 as of April 2019). In 2018, we also created the Work-Life Balance Support Concierge, strengthening individualized support so that employees are able to balance work with raising children and caring for family members. We will continue to provide support, making good use of the program to produce synergies between work and life and realize the mutual development of employees and company. We are also establishing a work environment and expanding opportunities for senior employees to stay positively involved even after they turn 60. Maintaining our efforts for work style reform, we will contribute to realization of a vibrant, sustainable society through business activities that demonstrate the character of Mitsubishi Motors.

**Specific Measures to Address
Material CSR Issues**

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Diversity P.79
Human Resource Development P.83

Material CSR Issues Corporate Governance, Compliance

We will prepare for global risks through a combination of awareness and systems

Ikuro Hirozane
Vice President
(Global Risk Control /
External and Government Relations)



Reflecting on its past, Mitsubishi Motors has, for many years, strived to raise awareness of and enforce a commitment to compliance among employees, and to strengthen its internal control system as an organization.

By expressing a clear Code of Conduct and ensuring responsible action is taken, we will create an organization with a fully functioning internal control system, and to establish a robust foundation that supports sustainable growth.

Expanding the development of systems and standards

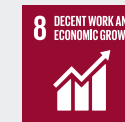
In terms of our internal control system, we have established four committees—Compliance, Information Security, Risk Management, and J-SOX—to report and pass resolutions on specific measures. The activities of these four committees are also checked and evaluated by the Internal Control Committee, which is chaired by the CEO.

In fiscal 2018, internal control committees were also established and began operating at 19 of our major affiliates in Japan and overseas. In fiscal 2019, as we

proceed to expand our systems, operations are scheduled at 23 companies.

In fiscal 2018, we issued the “Global Code of Conduct” to serve as a standard of conduct for all executives and employees. Since we operate in numerous countries and regions, complying with the laws and rules of each country and region goes without saying, but this in itself is not enough. The Global Code of Conduct stipulates that, in addition to laws, regulations and international rules, we will also act appropriately taking into consideration internal rules and general social norms. However, the definition and interpretation of social norms may vary from region to region, and in this case, we strive to understand each other through active communication. In

Related SDGs



doing so, we are continuing activities to make the Global Code of Conduct more effective.

Following the Ordinary General Meeting of Shareholders in June 2019, Mitsubishi Motors transitioned to a company with three committees. By separating supervision and execution, we are strengthening our management supervisory functions and accelerating business execution in an effort to ensure the soundness, transparency and efficiency of management and to enhance governance.

Responding swiftly to emerging risks

We are also putting effort into improving global governance in preparation of risks that could still surface even with a Code of Conduct and with continuous awareness-raising activities.

In fiscal 2018, we established a global whistleblowing contact point. It is geared toward receiving reports of any acts that violate the Global Code of Conduct, which forms the basis of our corporate activities and which is to be observed by all group executives and employees. Cases that come through here are reported to me in my capacity

as the Global Risk Control Officer for prompt investigation and action.

We will maintain awareness-raising activities

Internal control for an organization is like the nervous system for humans. By detecting that something is not right and taking quick action, we are able to prevent a crisis from occurring. Recognizing the importance of raising awareness among executives and employees as well as the importance of associated support structures, we have been working on activities for maintaining a high degree of sensitivity to detecting such unusual changes. In particular, Mitsubishi Motors has lessons to be learned in its past. We try to provide executives and employees with opportunities for regular dialogue and educational programs where they can apply to the future what they learn from the past.

As part of our awareness-raising activities, we will also actively work on fostering a sense capable of responding to increasingly diversified social environments and values in the future.

**Specific Measures to Address
Material CSR Issues**

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Compliance	
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Management Structure	P.107

Overview and Measures Regarding Improper Conduct in Fuel Consumption and Emissions Testing

Mitsubishi Motors has endeavored to comply fully with requirements and to change attitudes based on self-examination of past quality issues. However, the serious improper conduct regarding fuel consumption and emissions testing of products manufactured by the company for sale in Japan uncovered in April 2016 caused considerable inconvenience to and concern on the part of our stakeholders. For this, we sincerely apologize. We are continuously confirming the implementation status and effects of measures to prevent reoccurrence of improper conduct concerning fuel consumption and emissions and are working to ensure the reliability of those measures. We also report quarterly to the Ministry of Land, Infrastructure, Transport and Tourism.

Overview (Background and Causes)

In 2016, we discovered improprieties in the fuel consumption testing data that we submitted to Japan's Ministry of Land, Infrastructure, Transport and Tourism as part of the certification process for the eK Wagon and eK Space mini-cars developed and manufactured by Mitsubishi Motors from June 2013 for sale in the Japanese market (as well as the Dayz and Dayz Roox manufactured by Mitsubishi Motors and supplied to Nissan Motor Company). We found that testing had been improperly conducted to present better fuel consumption rates than the actual rates and that the test methods used differed from those stipulated by Japanese law.

In response, we conducted an investigation of other vehicles manufactured by Mitsubishi Motors for sale in Japan (nine currently sold models as well as 20 models manufactured and sold during the past 10 years for which documentation has been retained). As a result, we found that fuel consumption testing for vehicles for sale in Japan had been performed improperly for many years.

We determined that this improper conduct was the result of multiple factors including inadequate information-sharing between management and development divisions as well as insufficient awareness of compliance, an organizational culture that made it difficult for staff to point out issues, and personnel remaining in the same departments for long periods. We did not find that these activities were occurring with vehicles for overseas markets.

Preventative Measures

We deeply regret that this improper conduct occurred in the wake of prior quality issues. In addition to conducting an internal investigation, on April 25, 2016, we established a special investigation committee made up solely of independent outside experts. We received the Committee's Investigation Report on Improper Fuel Consumption Testing on August 1, 2016.

We formulated 23 preventative measures on June 17, 2016 and supplemented them with eight additional measures on September 30 for a total of 31 preventative measures (refer to the following table).

◆ Preventative Measures

Category	Measure
Organization- Related Measures	Reinforce functions for auditing the Product Development Division
	Establish a legal and regulatory management function within the Development Engineering Office
	Establish an organization to create structures for preventing reoccurrence
	Revise the product executive (PX) system
	Reassess the status of Mitsubishi Automotive Engineering (MAE, a subsidiary)
	Create a corporate safety and environmental philosophy
	Revise the organizational structure of the Development Engineering Office
	Transfer responsibility for achieving development targets from testing departments to design departments
System-Related Measures	Revise running resistance measurement operations
	Clarify who is responsible for achieving fuel consumption targets
	Establish a test vehicle quantity verification body
	Introduce an automated system for processing running resistance measurement data
	Create rules on publication of test reports
	Perform comprehensive inspection of regulatory compliance status
	Use IT to manage running resistance measurement data
	Revise development processes (the Mitsubishi Motors Development System)
	Improve the accuracy of product plan and estimates of required man-hours
Formulate rules on revising manuals	

Overview and Measures Regarding Improper Conduct in Fuel Consumption and Emissions Testing

Culture and Personnel-Related Measures	Reassign management personnel involved in the improper conduct
	Redevelop personnel ideals required in development divisions
	Create systems for job rotation within and among divisions
	Revise personnel evaluation standards
	Establish a section to promote personnel development within development divisions
	Create a system for legal and regulatory education for engineers
	Conduct training for all personnel in development divisions involved in the improper conduct
	Repeat basic training for development divisions
Measures regarding Management- Level Involvement	Conduct survey of employee attitudes
	Consider transferring the Certification & Regulation Compliance Department outside the Development Engineering Office
	Formulate methods for headquarters management to monitor development divisions
	Create crisis management systems for handling critical issues
	Enhance checks of certification application content

Internal Reform Activities with Participation from all Members of Development Divisions

In addition to the reliable implementation of the 31 preventative measures, another pillar of internal reforms is the promotion of Performance Revolution (PRev) activities. At the core of this are department-level PRev activities, which began in FY 2017 with the objective of structural reforms and awareness reforms in development divisions. In the second year, FY 2018, members from 41 departments centering on development divisions participated, which gave further stimulation to initiatives toward improving results by mutually adopting positive examples of PRev activities shared at interim report meetings and result presentations, for example. We will promote reforms development divisions through the ongoing continuation of these activities.

Implementation of Preventative Measures

All 31 of the preventive measures were implemented by April 2017. The measures were divided into the following four categories based on their characteristics (I - IV), and their effects were confirmed continuously. As of March 2019, the effects of all 31 items have been confirmed.

Categories of Effects from the Measures	Confirmed Items from the Effects of the Measures			
	FY2016	FY2017	FY2018	Total
I. Measures which can be expected to produce immediate effects when implemented:	3	0	0	3
II. Measures whose effects are to be continuously confirmed for one year after implementation:	0	14	6	20
III. Measures whose effectiveness is to be confirmed after three years of continuous observation:	0	0	6	6
IV. Measures whose effectiveness is to be confirmed through surveys of employee attitudes:	0	0	2	2
Total	3	14	14	31



Environment

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Policies

Basic Approach to the Environment

With the adoption of the Sustainable Development Goals (SDGs) and Paris Agreement in 2015, initiatives to create a sustainable society have been promoted on the national level. Many initiatives have been established, including SBT*¹, which supports the establishment of reductions targets for CO₂ emissions, and RE100*², which promotes the introduction of renewable energies among companies. Companies are expected to address various activities in order to resolve environmental issues.

Mitsubishi Motors has identified key CSR issues (materialities) for priority engagement with the aim of compatibility between contributing to solving social issues and the sustainable growth of the Company. This includes six issues in connection to the environment: Responding to climate change and energy issues, Resource recycling initiatives, Deploying supply chain sustainability initiatives, Conservation of water resources, Prevention of pollution, and Preservation of biodiversity. We are promoting initiatives in connection to these issues in every stage of our business activities, from development, to procurement, production, distribution, sales, product use and disposal. Based on demands from society regarding environmental initiatives, as well as changes in mobility society, such as IoT, autonomous driving technologies, car sharing and electric vehicle technologies, the Company is proceeding with studies into a new environmental vision. We will contribute to the realization of a sustainable society by setting medium-term targets by means of backcasting after refining a long-term ideal image and promoting environmental initiatives.

*1 Abbreviation of Science Based Targets

*2 Abbreviation of Renewable Energy 100%. This is an initiative in which the aim of participating companies is to procure 100% of energy used in business from renewable energy sources.

Environmental Policy

Mitsubishi Motors formulated the “Environmental Policy” that clarifies its initiatives for environmental preservation in corporate management.

Basic Policy

Mitsubishi Motors recognizes that protection of the global environment is a priority for humankind and as such makes the following pledges:

1. Taking a global perspective, we are committed to harnessing all our resources to achieve continuous reductions in the environmental impact of all our corporate activities, spanning development, procurement, production, sales, and after-sales servicing of vehicles.
2. As a good corporate citizen, we are committed to take actions that protect the environment at the level of local communities and society as a whole.

Behavioral Standards

1. We will endeavor to protect the environment by forecasting and assessing the environmental impact of our products at all stages in their life cycle.

<Priority Initiatives>

- Prevention of global warming by reducing emissions of greenhouse gases
 - Prevention of pollution by restricting emissions of substances harmful to the environment
 - Reduction of waste and maximizing efficient use of resources by promoting conservation of resources and recycling
2. We will endeavor to improve our environment management practices as part of ongoing efforts to ameliorate the impact on the environment.
 3. We will comply with environmental regulations and agreements, and will work to protect the environment by establishing voluntary management targets.
 4. We will encourage our affiliates and suppliers, both in Japan and overseas, to cooperate in working to protect the environment.
 5. We will actively disclose environment-related information and will seek the understanding of local communities and of society at large.

Policies

Environmental Vision 2020

In fiscal 2009, Mitsubishi Motors formulated an “Environmental Vision 2020” based on its “Environmental Policy”. The “Environmental Vision 2020” states our medium-to long-term policy for environmental initiatives across the entire group for a low-carbon society. The “Environmental Vision 2020” centers on the concept of “Leading the EV* era, toward a sustainable future. “We aim to create a sustainable future by pursuing environmental initiatives in technological development and business activities, spearheaded by EV technology. We aim to work with customers and society to create a clean and vibrant low-carbon society.

In addition, we are commencing work on our next Environmental Vision with consideration for the solution of environmental issues around the world and transformations in mobility impacting the automotive industry, such as autonomous driving, connected cars, and so forth.

* Electric vehicles, plug-in hybrid vehicles, and other electric vehicles

Achieving the “Environmental Vision 2020”

To achieve the goals of the “Environmental Vision 2020”, we will focus our efforts in a three-pronged approach comprising “products & technologies,” “business activities,” and “collaboration with society.”

Products & Technologies	<ul style="list-style-type: none"> ● Promote development and application of EV technologies ● Reduce environmental impact during vehicle life cycle
Business Activities	<ul style="list-style-type: none"> ● Step up corporate activities to promote widespread use of EVs ● Raise level of environmental protection activities by setting new standards for each field of corporate activity
Collaboration with Society	<ul style="list-style-type: none"> ● Create a pleasing and low-carbon society by working together with customers and society. ● Step up contribution to protecting the global environment by environmental conservation activities with local communities

Policies

Environment Initiative Program 2019

In March 2018, Mitsubishi Motors formulated “Environment Initiative Program 2019”, which shows the environmental initiatives. The program sets the plan for the period ending in fiscal 2019 when the mid-term business plan “DRIVE FOR GROWTH” is being implemented. The program seeks to improve and enhance the Group’s systems and foundation so that they Group can take on new environmental issues. The two central pillars of these initiatives are enhancing environmental management and implementing initiatives to address environmental issues, with the aim of continuing and deepening the initiatives that are already being implemented.

List of “Environment Initiative Program 2019” Initiatives

① Enhancing environmental management

○: As planned △: Delayed

Field	Initiative	Implementation Items (Target year: FY2019)	FY2018 Results	Evaluation
Environmental management	Renewable energy	Use renewable energy considering local characteristics	● Implementation of renewable energy trend survey ● Green power purchase amount: 4.025 million kWh	○
	Water resources	Manage water risks at each production facility	Implementation of water risk survey at production facility	○
	Environmental activities in purchasing	Deploy Green Procurement Guidelines to business partners of overseas plant	Creation of Green Procurement Guidelines to business partners of overseas plant	△
		Assess environmental management conditions and CO ₂ emissions of business partners	Assess environmental management conditions and CO ₂ emissions of business partners by means of CDP supply chain program (climate change)	○
	Environmental activities in sales	Promote the acquisition of Eco-Action 21 certification to our dealers	New acquisition of certification at 13 dealers	○
		Emphasize and publicize value of EV/PHEVs to expand them widely	New expansion of Dendo Drive Stations at 36 dealers	○
Environmental data management	Renew environmental data management system	Introduction of new environmental data system	○	
	Implementation of LCA*1 for new vehicle models and improve reliability of evaluation methods for GHG*2 emissions LCA	Implementation of LCA for two new vehicle models	○	

*1 LCA stands for Life Cycle Assessment, which is a technique for calculating the environmental impact of a product from manufacturing to disposal *2 Abbreviation of Greenhouse Gas

② Initiatives to address environmental issues

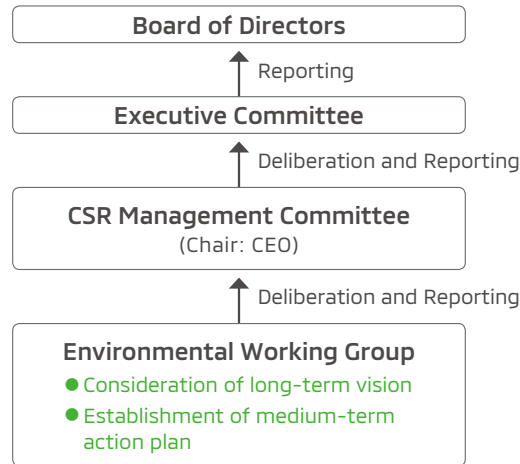
○: As planned △: Delayed

Field	Initiative	Implementation Items (Target year: FY2019)	FY2018 Results	Evaluation
Responding to climate change and energy issues	Reduce CO ₂ emissions while driving	CO ₂ emissions per new vehicle while driving: 8% reduction compared to FY2010	-13%	○
	Develop technologies for next-generation environmentally-friendly vehicles	Promote development of motor efficiency improvement methods	Promoted the development as planned	○
	Reduce amount of CO ₂ emitted by production activities	CO ₂ emissions at production facilities per production vehicle: 37% reduction compared to FY2005	-46%	○
	Reduce amount of CO ₂ emitted by non-production activities	Unit CO ₂ emissions in non-production facilities: 1% reduction compared to FY2018	-8.4%	○
	Reduce amount of CO ₂ emitted by logistics activities	CO ₂ emissions per unit of transportation in Japan: 9% reduction compared to FY2010	-8.8%	○
Resource circulation	Develop new technologies for improving the recyclability and appropriate processing of EV/PHEVs	Commercialize design for easy to disassembling	Issued the revised edition of dismantling evaluation guidelines	○
		Selecting materials with outstanding recyclability	Promoted the selection of materials with outstanding recyclability	○
	Establishing recycling management systems responding to an increase of used items	Constructed joint collection scheme for drive batteries for electric vehicle and started of use	○	
Commercialize and expand usage of resource conserving materials	Application of technology for reduction in component waste production and expanded use of recycled component materials	Selected recoverable parts and candidate parts for the use of recycled materials	○	
Reduce volume of disposal	Externally-disposed waste of production activities per production vehicle: 52% reduction compared to FY2005	-52%	○	
Prevention of Pollution	Improve risk management system for hazardous substances in products	Thorough management of hazardous substances	Continued of correct management including legal movements	○
	Reduce use of hazardous substances	35g/m ² or less of VOC*3 emissions per painting area in production activities	38g/m ²	△
Environment preservation	Promote preservation of biodiversity	Conduct biological surveys and implement conservation activities at sites in Japan	Implemented ecosystem survey at Tokachi Research & Development Center	○
		Plant and Grow trees at Pajero Forest	Conducted activities twice a year	○
		Plant trees at overseas business sites	Planted trees over 32 ha in the Philippines	○

*3 VOC stands for Volatile organic compounds

Environmental Management

In order to promote environmental initiatives reliably and efficiently, Mitsubishi Motors has constructed a framework for environmental management. We are promoting initiatives as Mitsubishi Motors Group, including education and awareness activities for employees, and the promotion of acquisition of licences for environment management systems among affiliated companies. Also, we are publicizing our initiatives by participating in exhibitions and events, which are important opportunities to take on the opinions of various stakeholders.



Framework for Environmental Management

Since 1993, we have been holding an “Environmental Council,” which is attended by the CEO and officers from each division. Since fiscal 2017, the “CSR Management Committee” has been held with the CEO as its chair, and environmental initiatives have been positioned as key CSR issues for the Company. The committee discusses our environmental policies and targets, for example, and confirms the progress and results from the Environment Initiative Program. Items of particular importance are reported to the Board of Directors.

The Environmental Working Group has been set up under the CSR Management Committee, which is promoting the long-term environmental vision, for example.

◆ Management target companies (23 companies)

Production affiliates

Country	Company Name
Japan	Pajero Manufacturing Co., Ltd. Suiryu Plastics Co., Ltd.
Thailand	Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) MMTh Engine Co., Ltd. (MEC)
Philippines	Mitsubishi Motors Philippines Corporation (MMPC) Asian Transmission Corporation (ATC)
Indonesia	PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)
China	GAC Mitsubishi Motors Co., Ltd. (GMMC)

Non-production affiliates

Country	Company Name
Japan	Mitsubishi Automotive Engineering Co., Ltd. Mitsubishi Automotive Logistics Technology Co., Ltd. Higashi Kanto MMC Parts Sales Co., Ltd. Hokkaido Mitsubishi Motors Sales Co., Ltd. Higashi Nihon Mitsubishi Motors Sales Co., Ltd. Chubu Mitsubishi Motors Sales Co., Ltd. Nishi Nihon Mitsubishi Motors Sales Co., Ltd.
US	Mitsubishi Motors North America, Inc. (MMNA) Mitsubishi Motors R&D of America, Inc. (MRDA)
Puerto Rico	Mitsubishi Motor Sales of Caribbean, Inc. (MMSC)
Netherlands	Mitsubishi Motors Europe B.V. (MME)
Germany	Mitsubishi Motor R&D Europe GmbH (MRDE)
UAE	Mitsubishi Motors Middle East And Africa FZE (MMMEA)
Australia	Mitsubishi Motors Australia Ltd. (MMAL)
New Zealand	Mitsubishi Motors New Zealand Ltd. (MMNZ)

Environmental Management

Environmental Management System

Since FY2010, Mitsubishi Motors has acquired ISO 14001 certification, and major affiliates in Japan and overseas have also acquired ISO 14001. For the domestic dealers, we promote Eco-Action 21* certification and 26 companies had acquired this certification as of FY2018.

* Eco-Action 21 is a certification and registration system based on the Environmental Management Systems guidelines formulated by the Japanese Ministry of the Environment for medium-sized companies.

ISO14001 As of September 1, 2019

Development
Mitsubishi Automotive Engineering Co., Ltd.
Production
Pajero Manufacturing Co., Ltd. Suiryo Plastics Co., Ltd. Mitsubishi Motors Philippines Corporation (MMPC) Asian Transmission Corporation (ATC) Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) MMTh Engine Co., Ltd. (MEC) PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)
Distribution & Services
Mitsubishi Automotive Logistics Technology Co., Ltd

Environmental Education and Awareness

Mitsubishi Motors implements various environmental education programs concerning its policy, initiatives and issues regarding environmental preservation in order to encourage employees to take the lead in promoting environmental initiatives. Environmental education and awareness activities are conducted among employees to promote an understanding of the relationship between environmental problems and our business activities and of the social responsibility that the company is expected to fulfill. In training for engineers implemented in the Okazaki area, the “Trends Regarding Environmental Initiatives and Our Status” course has been held as a program in which the importance of environmental initiatives is shared with participants.

TOPICS

Environmental Film Screening

Following on from FY2017, in order to provide an opportunity for employees to consider environmental issues, environmental films were screened in the Head Office and in the Okazaki area. Participating employees gave such reactions as, “It was a good opportunity to consider environmental issues,” and “I will act with consideration for the effect on the environment, even in small things.”



Film screening (Head Office)

TOPICS

Light-Down Campaign (Global Warming Countermeasures)

We are engaged in the Light-Down Campaign sponsored by the Japanese Ministry of the Environment and implemented campaigns calling for lighting fixtures and illuminations to be turned off. We worked to decrease electricity consumption by calling for lighting to be turned off at night in key our business sites on the day of the summer solstice and the day of the star festival.



Showroom at the Head Office before and after turning off the lights

Environmental Management

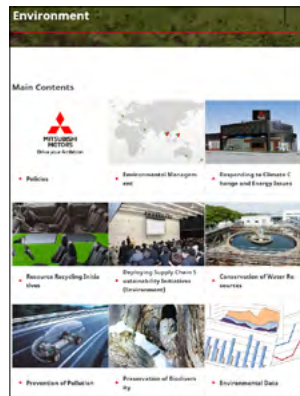
External Environmental Communication

In order for Mitsubishi Motors to continue to be a corporation trusted by all of its stakeholders, we release our environmental initiatives on our website.

Also, we introduce our activities using panels and other means in an easy to understand way at exhibitions and events. We listen to feedback from those who visit our booth and reflect what we hear in our future policies and initiatives.

Release of Environmental Information on Website and in the Sustainability Report

The company releases information on the concepts and details of our initiatives on the company website and in the Sustainability report in order to make our environmental initiatives more widely known.



Environmental Website

[\(WEB\) https://www.mitsubishi-motors.com/en/csr/environment/](https://www.mitsubishi-motors.com/en/csr/environment/)

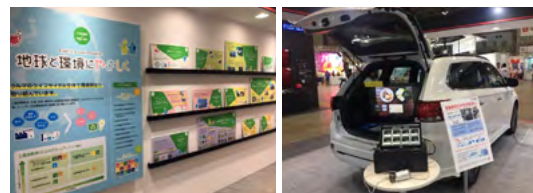
Publicizing Initiatives at Exhibitions and Events

The company proactively participates in exhibitions and events. There, we spread awareness about our environmental initiatives, which are built around electric vehicle technologies, and listen to opinions from various people for use in our initiatives.

TOPICS

Exhibition at “EcoPro 2018 – Environment and Society of the SDGs Era, and to the Future”

In December 2018, we attended an exhibition at the EcoPro 2018 – Environment and Society of the SDGs Era, and to the Future -, which is Japan’s largest environment/energy general exhibition, and is organized by Japan Environmental Management Association for Industry and Nikkei Inc. In addition to the “Outlander PHEV” display, we introduced visitors to our initiatives toward realizing the SDGs, and we listened to the views of approximately 1,700 people by means of a questionnaire.



Mitsubishi Motors Booth

TOPICS

Exhibition at the 31st International Electric Vehicles Symposium & Exhibition “EVS31”

We attended an exhibition at EVS31, which is sponsored by the Japan Automobile Research Institute held at the Kobe Convention Center from September to October 2018. We introduced the key technologies equipped in the Outlander PHEV and V2X* technology which incorporates electric vehicles as part of the electric infrastructure.



Mitsubishi Motors Booth

*Abbreviation of Vehicle to X

Environmental Management

Life Cycle Assessment (LCA)

The LCA is an approach to quantify the environmental impact of a part or vehicle through all stages of its life cycle. For automobiles, the LCA is used to examine the processes of mining natural resources for parts and materials, manufacturing materials and parts, assembling vehicles, producing fuel, driving vehicles, disposing the vehicle, and so on in order to quantify the carbon dioxide gas emitted from the respective processes as well as the physical quantities of other environmental items, which are then summed up and assessed.

With this method, Mitsubishi Motors gains a full picture of the CO₂ emissions of parts and vehicles throughout their life cycle. Thus, we use the LCA method with the aim of developing products with a lower environmental burden throughout the entire lifecycle.



Utilization of LCA

We use the LCA to develop environment-friendly parts, electric vehicles, and new model vehicles, and compares the life cycle CO₂ emissions with conventional parts and vehicles. The results are then used to consider the directionality of product development and determine whether product development aims have been achieved.

	Typical Subjects of the LCA (Example)	Major Purposes
Components and technologies	Body parts employing plastics	Verifying the effect of weight reduction
Vehicle	<i>Outlander PHEV</i>	Assessing the effect of improvement from the gasoline engine model
	<i>Eclipse Cross, TRITON</i>	Comparing the effect of improvement from the previous model and others

TOPICS

LCA Result of *Eclipse Cross*

We assessed the life cycle CO₂ emissions of the *Eclipse Cross* that was launched in FY 2018. It was approximately 25% in the production stage and 70% in the usage stage, including fuel fabrication. We will continue to work to reduce the environmental burden by assessing the life cycle CO₂ emissions of new models.

◆ Breakdown of *Eclipse Cross* Life cycle CO₂ Emissions

0% 20% 40% 60% 80% 100%

- Materials manufacturing
- Vehicle manufacturing
- Transportation
- Use (Distance of 110,000 km)
- Vehicle disposal

Environmental Management

Environmental Risk Management

Having learned from past cases of failing to comply with environmental regulations such as those aimed at preventing pollution, Mitsubishi Motors makes every effort to comply with relevant regulations.

We sincerely respond to complaints from neighboring residents after investigating the situation.

In the event that environmental laws and regulations are violated or an environmental accident occurs, or if we receive a complaint, the corresponding division must submit a Legal Non-Conformity Report to the Compliance Department and take necessary measures against the cause. The report clarifies the details of the case, measures and more, and appropriate countermeasures are taken. Furthermore, in order to prevent recurrence, initiatives are in place to improve work processes, enhance the supervision system, and increase employee awareness.

Also, in another division, we discovered a defect regarding the regular checks and the management methods of facilities covered by fluorocarbon emissions limitation laws. After that, we corrected the issue immediately. With regards to complaints, there were three cases of bad odors and noise due to on-site construction work. After we had taken countermeasures immediately in all cases, we confirmed that the situation had improved.

Fiscal 2018 Results

There were no cases of fines or administrative orders, for example, due to environmental incidents or violations of environmental laws and regulations.

At the Kyoto Plant, part of the measured value of the fluorine in the air pollutants emitted from the melting furnace temporarily exceeded the values regulated in Kyoto prefectural regulations. After this discovery, we suspended the facility promptly and took countermeasures. As a result of a re-measurement according to guidelines based on instructions from the local government, it was confirmed that the measured value was within regulated limits.

Responding to Climate Change and Energy Issues



In recent years, extreme weather, such as heatwaves, droughts and floods due to heavy rain, has caused disasters one after another around the world. These extreme events have been caused by climate change, and global warming is the major factor in this. Automobiles generate CO₂ throughout the life cycle, which is a cause of global warming. Mitsubishi Motors has identified “Responding to Climate Change and Energy Issues” as a material issue for priority engagement. In order to reduce the amount of energy consumptions and CO₂ emissions in all business activities, including development, production, distribution and offices, we are promoting various initiatives, such as electric vehicle technologies, the development of fuel economy improving technologies, the introduction of low-energy equipment in production processes, and the use of renewable energy in offices and dealers.

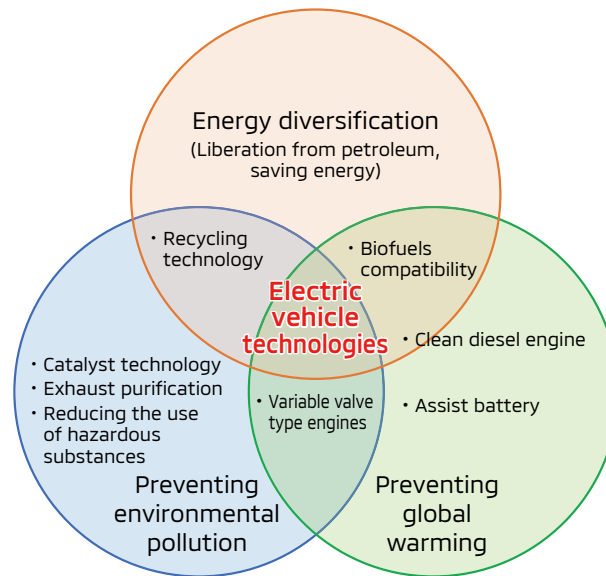
Initiatives with regard to Products

Development of Electric Vehicle Technologies

Mitsubishi Motors positions the electric vehicle technology incorporated in the i-MiEV and other electric vehicles as a core technology for environmental friendliness, including responding to climate change and energy issues, and we promote the development of this technology further. We are developing technologies to realize anticipated improvements in batteries and motor efficiency in the future.

Electric Vehicles

Electric Vehicles are powered by electric motors, and so they emit no exhaust gases such as CO₂ while driving. Mitsubishi Motors released i-MiEV as the world's first mass-produced Electric Vehicle, in 2009. We are still improving it today. i-MiEV performs much better than conventional gasoline engine vehicles, including environmental performance, acceleration starting with maximum torque, reduced noise by the electric motor, and stability with the battery unit beneath the floor. These technologies are the foundation of next-generation electric vehicles, such as plug-in hybrid electric vehicles.



Responding to Climate Change and Energy Issues

Initiatives with regard to Products



TOPICS

Provision of Mitsubishi Electric Vehicles as Delivery Vehicles for Japan Post



Since 2019, Mitsubishi Motors has been providing Japan Post Co., Ltd. (referred to hereafter as “Japan Post”) with a total of 1,200 of the minicar-class commercial electric vehicles *Minicab MiEV Vans* as delivery vehicles.

Minicab MiEV Van is equipped with drive battery and motor used in *i-MiEV*. In addition to the superior environmental performance inherent to an electric vehicle, it excels in power, silence, comfort and more. It is highly effective as a delivery vehicle due to the driving range and payload capacity. By using zero emissions vehicles that emit no exhaust gas, including CO₂, it is contributing the promotion of environmental management by Japan Post, which aims to reduce the emission of greenhouse gases.

Plug-in Hybrid Vehicles

Plug-in hybrid electric vehicles are powered by electricity stored in drive batteries and by the motor, using the engine to generate electric power when the battery level is low. Concern over the driving range is no longer an issue as it offers the advantages of EVs: powerful driving, superb quietness, and high stability.

Mitsubishi Motors released the *Outlander PHEV* in 2013. At low to medium speeds, the Plug-in Hybrid EV System uses electric power from the drive battery, but when the battery level is low, it generates electric power during operation using the engine while also supplying power to the motor and battery. Furthermore, during high-speed driving, the vehicle is driven by the engine and simultaneously assisted by the battery-powered motor. In this way, the drive mode is automatically selected according to the situation. CO₂ emissions are lower than conventional gasoline engine vehicles, delivering outstanding environmental performance.

TOPICS

Outlander PHEV Hits 200,000 Global Sales



Global sales of *Outlander PHEV* have reached a total of 200,000 units. Since being released in Japan in 2013, the *Outlander PHEV* has been launched in more than 50 countries around the world, and it has become the best-selling plug-in hybrid vehicle worldwide. In Europe, in the plug-in hybrid category, it has been the top selling* vehicle for four consecutive years since 2015.

By updating around 90% of the major components of the PHEV system in the current model (Japan and Europe specifications), which was released in 2018, including improvements to battery capacity, battery output, and rear motor output, the EV driving range has increased to 65 km (JC08 mode)/57.6 km (WLTC mode).

*According to research by JATO Dynamics Limited

Responding to Climate Change and Energy Issues

Initiatives with regard to Products

Electric Vehicle Power Supply Function

We are developing a power supply function that can draw electricity from the large-capacity batteries of electric vehicles and plug-in hybrid vehicles. The power supply function will be useful for climate change and energy issues, as well as during disasters.

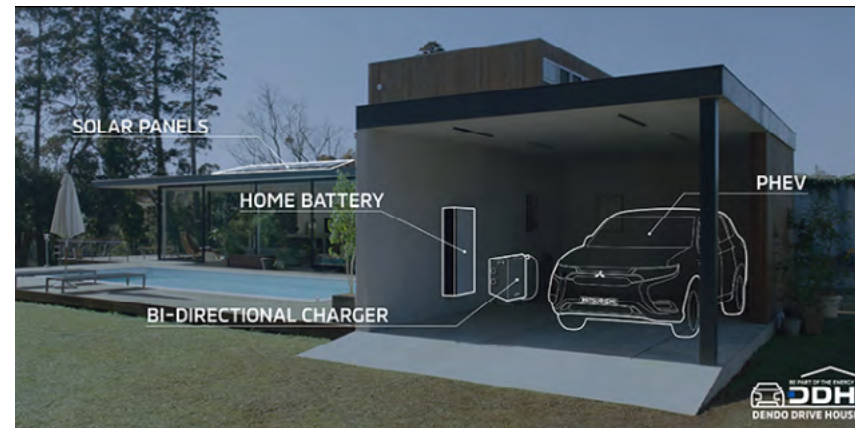
By adopting Vehicle to Home (V2H*) technologies, which connect vehicles to the electrical supply of homes, vehicles can be used for energy management or serve as an alternate power supply during power outages. Furthermore, during disasters, vehicles can be used as emergency power sources. For the *Outlander PHEV*, a general household can be powered for a maximum of 10 days using electricity generated by the engine.

* V2H: Abbreviation of Vehicle to Home.



TOPICS

To start new “DENDO DRIVE HOUSE” service from 2019



DENDO DRIVE HOUSE

At the 89th Geneva International Motor Show, Mitsubishi Motors gave demonstrations of the DENDO DRIVE HOUSE (DDH), a new service that creates new value for electric vehicles. DDH, which combines an electric vehicle, V2H equipment, solar panels and a home-use storage battery in one package, is a service offered to customers that bundles together the sale, installation and after-maintenance of the system components. It is being released from 2019, starting with Japan and Europe. DDH brings merits to customers that include savings on electricity costs and as the provision of an emergency power source.

- The DDH system delivers significant cost benefits. The customer can reduce fuel costs by using solar panels to generate power during the day for charging EV/PHEV and domestic storage batteries, while at night, they can reduce power costs by using a bi-directional charger to supply power from their EV/PHEV to the home.
- DDH can contribute to the creation of a low-carbon society by using the electricity generated by solar panels to power domestic appliances or to provide the power to operate the EV/PHEV.
- DDH provides an emergency power source that can supply power from the EV/PHEV or storage battery to run appliances in the home.

[\(WEB\) https://www.mitsubishi-motors.com/en/innovation/motorshow/2019/gms2019/dendo/](https://www.mitsubishi-motors.com/en/innovation/motorshow/2019/gms2019/dendo/)

Responding to Climate Change and Energy Issues



Initiatives with regard to Products

External Cooperation for the Spread of Electric Vehicle Technologies

Mitsubishi Motors is promoting initiatives for the spread of electric vehicles with governments in different countries and with a variety of industries.

TOPICS

Delivery of Electric Vehicle to Costa Rican Government

In March 2018, a total of 49 *Outlander PHEV* and *i-MiEV* vehicles were delivered based on the Overseas Development Assistance (ODA) between the Japanese and Costa Rican Governments for the provision of a range of next generation vehicles in connection to initiatives by the Costa Rican Government toward the promotion of greater environmental sustainability and the achievement of its own goals to lower carbon emissions.

TOPICS

Implementation of Demonstration Experiment for V2G*1 Using Electric Vehicles

Mitsubishi Motors engaged in the "FY2018 V2G Aggregator Project," for which a public offering was made and selected by the Ministry of Economy, Trade and Industry using the employee car park at the Okazaki Plant as a demonstration site.

There is a need for greater stability in the supply of electricity, including measures to increase the use of renewable energy. We believe the realization of V2G will increase the value of electric vehicles and will lead to measures in response to climate change and energy issues.

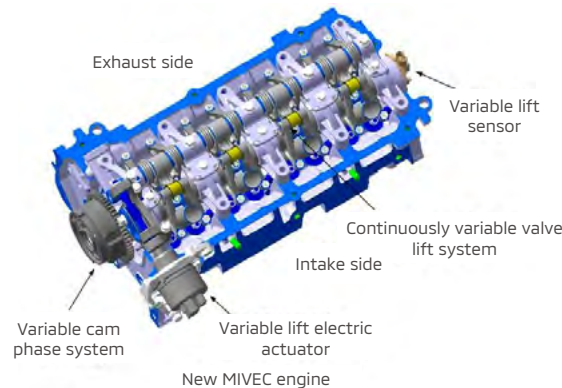
*1 Abbreviation of Vehicle to Grid. Using IT, this structure enables the use of power from a large-capacity electric vehicle storage battery for bi-directional power supply and adjustment with power systems.

Development of Improving Fuel Economy Technologies

Engine Improvement

We are promoting the development of fuel economy improving technologies for engines, including how to minimize waste when burning fuel and how to reduce the resistance of air intake and the friction of sliding parts.

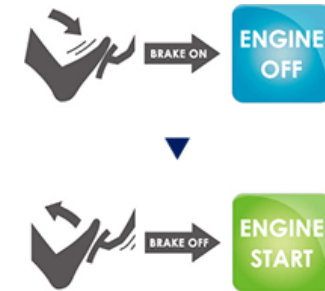
Variable Valve Timing Mechanism "MIVEC" *2



The new MIVEC is a variable valve timing mechanism for minimizing fuel consumption. The intake valve lift is continuously varied according to the operating condition to reduce intake resistance. This minimizes air intake energy loss, resulting in improved fuel efficiency.

*2 Abbreviation for Mitsubishi Innovative Valve timing Electronic Control System

Idle-Stop "AS&G" *3



AS&G is an idling stop function that automatically stops and starts the engine when the vehicle stops or moves off. This has a major effect on improving the fuel economy because no fuel is consumed when at a stop. When fitted with a coasting stop function, AS&G stops the engine while decelerating.

*3 Abbreviation for Auto Stop & Go

Responding to Climate Change and Energy Issues

Initiatives with regard to Products



TOPICS

Expansion of Fuel Economy Improving Technologies

Delica D:2

The new *Delica D:5* that was released in February 2019 is equipped with a 2.2l common rail DI-D clean diesel turbo engine. Fuel consumption has been improved by reforming approximately 50% of the major components of the engine, including a major reduction in friction and the installation of a next generation fuel injector.



eK Wagon and eK X

The new *eK Wagon* and *eK X* mini-cars, which were released in March 2019, use a new low-friction and high compression ratio engine, and a new CVT that uses a high-efficiency oil pump and low-friction belt to improve fuel consumption.

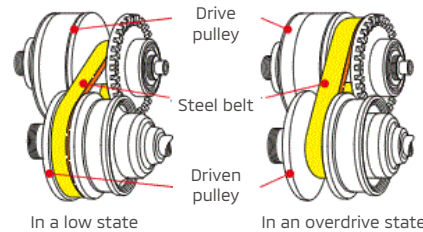
eK X uses a HYBRID system that improves fuel efficiency through coordination between the engine and the motor. Furthermore, the vehicle applies an Auto Stop & Go system (with coast-stop mode) that stops the engine at speeds of 13 km/h or less.



Vehicle Body Improvement

Measures are required for components other than the engine in order to improve fuel economy. In addition to reducing the weight and improving aerodynamics, we are developing various technologies related to the vehicle body.

CVT Continuously Variable Transmission



A continuously variable transmission (CVT) varies transmission ratio by seamlessly changing the effective diameter of the pulleys.

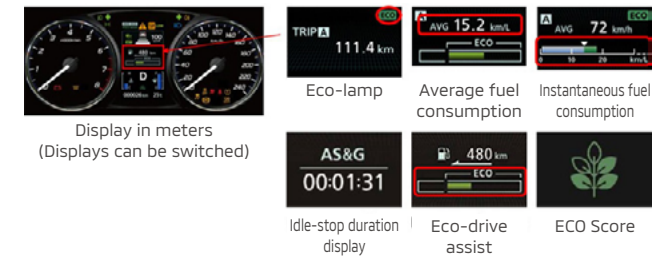
Based on throttle position information, driving power is controlled in accordance to the driving condition to achieve the most efficient balance between the engine and CVT.

Deceleration Energy Recovery (Power Generation Control)

This technology controls power generation under various driving conditions such as idling, accelerating, and cruising by conducting intensive charging of the battery using electric power generated while decelerating. We are improving fuel consumption by reducing the load on the engine during charging and power generation.

Eco-Drive Support

We are spreading equipment to support eco-driving, such as by equipping our vehicles with eco-drive support displays including an eco-lamp and fuel economy meter in the combination meter and central information display.



Eco-drive support equipment display

Responding to Climate Change and Energy Issues



Initiatives with regard to Products

TOPICS

Eclipse Cross Aerodynamics

We developed the Eclipse Cross to combine an aerodynamic performance that improves fuel consumption with a stylish exterior, the incredible field of vision and inhabitability of an SUV at a higher level. The flow of air around the vehicle body was analyzed by means of computer simulations and wind tunnel tests using a model with the same details as the actual car, and each part was optimized.



Flow around bumper



Flow around vehicle body

Efforts in Production

Equipment Improvement for Production

The paint lines at Okazaki Plant and Mizushima Plant use the waterborne 3WET paint method, which reduces CO₂ emissions by passing the painting workpieces through driving ovens only once instead of twice, as usual.

The Okazaki Plant changed from large water pipe boilers to compact through-flow boilers. This has made it possible to restrict the number of boiler units based on operating conditions in each of the plant's processes, so that steam can be supplied efficiently.

At the assembly plant, the air compressors used to supply air to parts transfer equipment and tightening tools have been updated from screw compressors to turbo compressors, and the air discharge efficiency has been improved.



Compact through-flow boilers



Turbo compressors

TOPICS

Introduction of High-frequency Induction Furnaces



High-frequency induction furnace (Mizushima Plant)

High-frequency induction furnaces were introduced when updating the melting furnace equipment at the foundry process of the Mizushima Plant. High-frequency induction furnaces melt materials directly by converting electricity into magnetism, which lowers the heat loss in comparison to conventional melting furnaces, leading to a reduction in electric power consumption and in CO₂ emissions.

Responding to Climate Change and Energy Issues



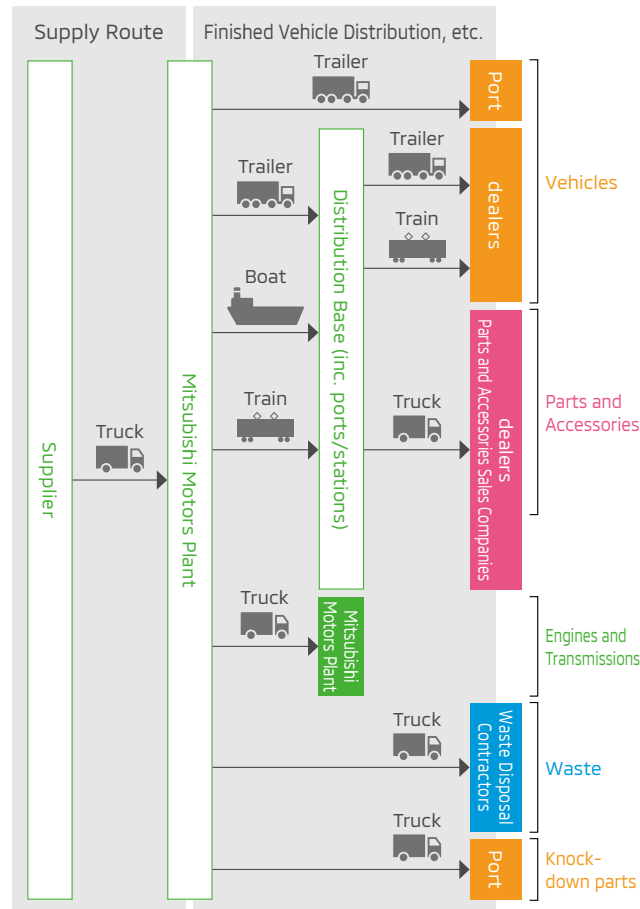
Efforts in Distribution

We set reduction targets for unit CO₂ emissions (kg-CO₂/1000t km) during the transport of procured parts and products to promote initiatives for achieving these targets.

We strive to shorten transport distances through the use of less distant procurement sources, and to decrease the number of transport trips by improving the packing appearance, increasing the load factor, and consolidating transport routes.

Other activities include modal shifts such as improving rail utilization rates and requesting the introduction of ecologically-friendly vehicles and promotion of eco-driving by our business partners' transport subcontractors.

◆ Target Distribution Routes for CO₂ Emissions Results



Collecting CO₂ Emissions Data in Distribution among Overseas Affiliates

Mitsubishi Motors understands the importance of Collecting and disclosing CO₂ emissions volumes throughout the supply chain, including overseas, and we are promoting initiatives in this regard. In fiscal 2018, the Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) overseas plant in Thailand started to collect and calculate CO₂ emissions in distribution including local land transport in Thailand during sea/air transport.



Transportation of vehicles (Thailand)



Sea transport

Responding to Climate Change and Energy Issues



Efforts in Offices and Dealers

Office Initiatives

Mitsubishi Motors is promoting the introduction of renewable energy and various kinds of energy-saving equipment. Through initiatives such as the installation of solar panels and the application of renewable energy certificate system*1, we are using renewable energy for some of the power consumed in offices. Also, CO₂ emissions are being reduced by using energy-saving electrical equipment and air conditioners.

*1 This system is used to trade environmental added value of renewable energy generated from natural energy sources using renewable energy certificates issued by a certificate issuer and confirmed by a third party organization.

TOPICS

Making Use of Tradable Green Certificates System

The electric power used at the Research and Development Building" (Okazaki, Aichi) that started operating in October 2018 and the new Head Office (Minato, Tokyo) that moved in January 2019 is supplied by renewable energy by making use of Tradable Green Certificates System.

TOPICS

Okazaki Area "Research and Development Building" Initiatives



Research and Development Building

Considerations for insolation and heat load

The efficient use of daylight is being improved by means of a horizontal band of high-efficiency windows on the north and south side. Energy for lighting has been reduced by integrating natural light into the dining areas by installing skylights in the second floor cafeteria.



North and south: Horizontal band windows



2nd Floor: Skylights

Introduction of various energy-saving mechanism

Electrical equipment	Lighting sensor controls, use of natural light using skylights and high-side windows, and installation of solar power generation panels, etc.
Air conditioners	Natural ventilation system using atrium designs, ambient air cooling, installation of cool tubes and natural ventilation windows, use of cassette air conditioning with human motion sensors, ventilation air flow control depending on indoor CO ₂ concentration, etc.
Other	Use of water-saving equipment, planting on low-rise rooftops

Achievement of CASBEE Aichi S Rank

By practicing environmental considerations that cover various items, including indoor and outdoor environments, service functions, resource and material usage, we have achieved the high-grade of "S Rank" in CASBEE Aichi.*2

*2 System developed by Aichi Prefecture in which owners of buildings voluntarily submit the building environmental plans so that the environmental performance of the buildings will be evaluated based on the submitted information.

Responding to Climate Change and Energy Issues

Efforts in Offices and Dealers



Dealer Initiatives

We promote the acquisition of “Eco-Action 21” to our dealers in Japan. Dealers that have acquired certification carry out activities such as reducing the amount of energy and water usage, reducing the amount of waste they produce, and promoting the widespread use of EV/PHEVs. Also, we are promoting the development of the “Dendo Drive Station” next-generation dealers to introduce the value brought by EV/PHEV toward the spread of electric vehicle. By fiscal 2018, we opened 64 Dendo Drive Stations nationwide.

TOPICS

“Dendo Drive Station” Initiatives

Re-establishing Omiya showroom (Saitama Prefecture) as a Saitama City-designated “Hyper Energy Station”

In April 2018, Dendo Drive Station Omiya showroom was re-established as a Saitama City-designated “Hyper Energy Station.” This is one of the key projects “Next generation car and smart energy specific district” for which Saitama City received local designation from the Japanese government. By newly installing lithium-ion storage batteries, electricity can be supplied to electric vehicles even during power outages, which is expected to demonstrate its strength by transporting people and materials during disasters, etc.



Dendo Drive Station Omiya Showroom

Installation of large-capacity storage battery at Futamatase Showroom (Fukuoka Prefecture)

At the Dendo Drive Station Futamatase Showroom, high-capacity solar panels and storage battery unit have been installed, which started operation in December 2018. The aim is to create a showroom that is capable of supplying power to electric vehicles during disasters and that uses renewable energy to be self-sufficient.

The capacity of the solar panels is approximately 30 kW, equivalent to the showrooms average electricity consumption, while the capacity of the storage batteries is 100 kWh, equivalent to about 10 days of the electricity consumption of a general household. A wide range of data is being collected in order to investigate ideal capacity.

Also, in the future, it is expected that batteries recovered from electric vehicles will be usable, so the storage battery units have a structure that enables the inclusion of *i-MiEV* battery cells.



Solar panels



Storage battery unit

Resource Recycling Initiatives



Initiatives with regard to Products

Recycling-Based Design and Development

The consumption of resources is increasing due to the rise in populations and economic growth in emerging countries. Countries and industry groups are formulating various initiatives in order to promote automobile recycling and correct processing.

Based on the above, Mitsubishi Motors considers effective resource use as our task and promotes initiatives for recycling and resource conservation. Mitsubishi Motors set targets to improve the ease of recycling, reduce the use of lead, and introduce recycled parts for new vehicles when the Mitsubishi Motors Recycling Initiative was established in 1998, which we are engaged in continuously.

At production plants, with the aim of realizing a recycling-oriented society that gives consideration to the environment and resources, we are promoting the effective use of resources. We are achieving a landfill waste disposal rate of zero* at every plant by converting industrial waste materials generated from production processes into reusable resources and reducing the volume of waste discharged.

* Land reclamation rate below 0.1 %

Under vehicle recycling legislation in Japan and Europe, automobile manufacturers are obligated to consider recycling when developing products. Mitsubishi Motors conducts design and development that actively incorporates not just recycling, but all aspects of the 3Rs including reduction and reuse. Since 1999, we have implemented the 3Rs in the stage starting with conceptual design in accordance with our unique Recycling Plan Guidelines.

With regard to wires and harnesses, and motors, we have improved detachability and ease of recycling in accordance with the Harness Design Guidelines. At dealers, bumpers replaced during repairs are reused for spare tire covers and battery trays.

We proactively adopted 3R designs in accordance with the Recycling Plan Guidelines for all vehicles developed in fiscal 2018. We will continue to manufacture vehicles with due consideration for the 3Rs from the initial stages of development to promote resource conservation and simplify recycling.

TOPICS

Use of Recycled Parts in Delica D:5

Delica D:5, which was launched in fiscal 2018, uses easily recyclable thermoplastic resin for exterior and interior parts.

Main parts (indicated in green) that use thermoplastic resin



Exterior



Interior

Resource Recycling Initiatives

Initiatives with regard to Products

End-of-Life Vehicle Recycling

Mitsubishi Motors encourages recycling of end-of-life vehicles to reduce the environmental impact of waste from these vehicles. In Japan, the EU, and other regions, we promote recycling in accordance with the automobile recycling laws of each country. We will comply step-by-step with automobile recycling laws that are now being introduced in emerging countries in Asia.

Response to Automobile Recycling Laws in Japan

After the End-of-Life Vehicle Recycling Law was enacted in 2005, the company has been accepting used automobile shredder residue (ASR), airbags, and fluorocarbons for recycling. Regarding ASR recycling, we participate in ART*¹ in order to jointly process ASR. As a result of the creation of new processing facilities and other measures, the ASR recycling rate in fiscal 2018 was 97.8%, substantially above the statutory standard of 70% in effect since 2015. We will continue to develop new recycling facilities to ensure the stable processing of ASR.

The company outsources the treatment of airbags and fluorocarbons to the Japan Auto Recycling Partnership (JARP).

In addition, for the effective use of recycling fees deposited from customers, we proactively works on increasing the recycling rate by conducting efficient recycling and proper processing of these three items.

*1 Automobile Shredder Residue Recycling Promotion Team established by Nissan Motor Co., Ltd., Mazda Motor Corporation, Mitsubishi Motors and others.

Recycling Promotion in the EU

Response to the EU's Directive on the Recycling of End-of-Life Vehicles

In the EU, in accordance with the End-of-Life Vehicles Directive*² established in 2000, automobile manufacturers or importers must accept and recycle end-of-life vehicles. Also, in 2003, the ELV Directive*³ was enacted, specifying ease of recycling as a certification requirement. The company built a system of acceptance and recycling in line with the actual situation of EU member countries centering on our European subsidiary Mitsubishi Motors Europe B.V. (MME).

*2 "Directive of the European Parliament and of the Council on End-of-Life Vehicles"

*3 Abbreviation of End-of-Life Vehicles.

Provision of Dismantling Information

In the EU, automobile manufacturers must provide dismantling information for new model vehicles to treatment operators. The company provides such information on a timely basis by using the International Dismantling Information System (IDIS) jointly developed by automobile manufacturers.

Response to the EU's Directives on Approval for Vehicle Models for Recyclability

In the EU, satisfying the minimum 95% recyclability rate is a requirement for type approval of vehicle models, and the company established a system that satisfies the requirements of this directive. Our vehicles sold in the EU meet the requirements of the directive under this system. We will continue to acquire recyclability approval for all new models sold in the EU.

Collection of Drive Batteries in Electric Vehicles/ Construction and Operation of the Recycling System

In Japan, Europe, and North America, the company established and operates a drive battery collection system for the purpose of recycling technology development and proper treatment of end-of-life drive batteries in electric vehicles and plug-in hybrid vehicles.



Resource Recycling Initiatives

Efforts in Production



Converting Waste into Reusable Resources and Suppressing Waste Generation

We convert spent oil into usable oil, waste sand from foundries into base course material, and sludge into raw material for cement.

We are also working to reduce the metal scraps generated from production processes and the amount of waste casting sand.

Conserving Resources at Knock-Down (KD)*¹ Plants

To reduce the amount of cartons and pallets used for transporting product to knock-down plants, we are increasing the use of returnable racks*², thereby reducing our consumption of steel.

*1 Refers to exporting in the form of parts for assembling vehicles at the local plants using those parts.

*2 Container to pack parts for repeated use.

Deploying Supply Chain Sustainability Initiatives (Environment)



Automobiles are composed of a wide variety of materials and parts which are developed and produced by our business partners. For that reason, Mitsubishi Motors believes that it is important to reduce the impact on the environment not only from our own business activities but also in all other processes from the production of materials and parts to delivery.

Based on the basic concept of purchasing materials and parts with low impact to the environment from suppliers who continuously work to reduce their environmental impact, Mitsubishi Motors has rolled out “Green Procurement Guidelines” to our parts suppliers, plant material suppliers, and other suppliers, striving to reduce the environmental impact of our entire supply chain.



Green Procurement Guidelines

Expansion of Green Procurement Guidelines

We request business partners to acquire and renew of external certifications of environment management systems, as well as to manage hazardous substances, promote the 3Rs, submit LCA data to allow us to understand the lifecycle environmental impact, reduce environmental impact in business activities, and reduce their environmental impact related to logistics. The Green Procurement Guidelines have been deployed for business partners of Mitsubishi Motors (Thailand) Co., Ltd. (MMTh).

Collection of Materials and Hazardous Substance Data through IMDS

Through IMDS (International Material Data System), we ask business partners to disclose hazardous substance data, etc. regarding materials and parts based on the Green Procurement Guidelines. We also have our business partners construct their own internal management systems for hazardous substances. Through these processes, we confirm compliance with use regulations regarding hazardous substances used in new vehicles and vehicles in ongoing production, and we confirm that their usage decreases.

Participation in the CDP Supply Chain Program

We participate in the CDP Supply Chain Program. In this program, CDP, an environmental NGO, uses a unique system to gather environmental data and strategies/management approaches from corporate business partners.



In fiscal 2018, we participated in the climate change program, sending out surveys to approximately 100 major business partners. The climate change risks, strategies, management systems, greenhouse gas emissions and more were gathered from each company. Since fiscal 2019, we have also been participating in the water program. We are endeavoring to manage risk in the entire supply chain by continuously monitoring the

situation of our business partners.

Communicating with Suppliers

Our business partners cooperate with us in various initiatives, including meeting the requirements of our Green Procurement Guidelines. We believe that ongoing communication is an important part of the steady implementation of initiatives by business partners. We explain the importance of environmental initiatives at our Suppliers Meetings, for example, which are attended by our business partners, and strive to engage in communications to reduce the environmental impact of our entire supply chain. In fiscal 2018, at the “Supplier CSR Guidelines Revision Meeting,” we shared the initiatives to reduce the environmental burden throughout the entire supply chain by explaining CSR initiatives, including the environment, and the CDP Supply Chain Program.



Supplier CSR Guidelines Revision Meeting

Conservation of Water Resources



Due to the increasing population and changes in the natural environment caused by climate change, the demand for water is expected to increase, and social concern for the preservation of water resources are increasing.

Mitsubishi Motors requires a large amount of industrial water, city water, and groundwater, etc., for the automobile production process and discharge of water into sewage lines and rivers, etc. For that reason, we conduct water risk assessments* in the regions where our main production plants are located, and identify which plants are located in high water stress areas.

In such regions, it is essential to consider the impact on the surrounding environment by water withdrawal and water discharge from business activities. Also, as water is required for the operations of our business partners. Mitsubishi Motors is aware of the importance of water risk management throughout the entire value chain. As an initiative to preserve water resources in each country and region, we strive to reduce the amount of water withdrawal and to monitor the quality of discharged water, for example.

* Using the "Aqueduct" water risk map developed by Water Resources Institute. Evaluation of the impact on business by the risk of stricter water discharge regulations and physical risks such as flooding and drought.

◆ Water Withdrawal Source and Drainage of Each Plant

Plant	Water Withdrawal Source	Drainage
Okazaki Plant (Okazaki, Aichi Pref.)	Yahagi River	Kanda River Tributary → Kanori River
Kyoto Plant - Kyoto (Kyoto, Kyoto Pref.)	Lake Biwa	Sewage line
Kyoto Plant - Shiga (Konan, Shiga Pref.)	Lake Biwa	Sewage line
Mizushima Plant (Kurashiki, Okayama Pref.)	Takahashi River	Hakken River → Mizushima Port
Pajero Manufacturing Co., Ltd. (Sakahogi-cho, Gifu Pref.)	Kiso River	Kiso River
Mitsubishi Motors (Thailand) Co., Ltd. (MMTh)	Nong Pla Lai Reservoir, etc.	Sewage line
PT Mitsubishi Motors Krama Yudha Indonesia (MMKI)	Lake Jatiluhur	Sewage line

Reduction of Water Withdrawal Volume

We are striving to reduce water withdrawal volumes by reusing washing water used in production processes for pre-washing and by circulating cooling water and temperature control water. At the Okazaki Plant, rainwater storage tanks have been set up in order to reuse rainwater.



Rainwater storage tanks (Okazaki Plant)

Reuse of Discharged Water

PT Mitsubishi Motors Krama Yudha Indonesia (MMKI) is making efforts to recycle wastewater and reuse rainwater in order to reduce water withdrawal. In fiscal 2018, roughly 50% of the water processed in its wastewater treatment plant is reused within MMKI.



Industrial water and wastewater treatment plant

Conservation of Water Resources



Prevention of Water Pollution

In order to take precautions against any effects on the areas surrounding plants, we regularly conduct surveys and confirmations regarding the quality of groundwater and soil pollution. In this way, we confirm that no toxic substances are being discharged to the outside area. If contamination is found, we take immediate measures to prevent its dispersion, report to authorities, and disclose the information to the communities.



Observation well (Okazaki Plant)



General effluent treatment facilities (Okazaki Plant)

Installation of Surface Oil Detector

In order to detect abnormalities in discharge water quality, surface oil detectors* have been set up in front of outlets leading from the plant to public water. We carry out continuous monitoring so that water discharged from the plant does not affect the environment outside the site.

* Detects the presence of oil by capturing changes in reflectance as the reflectance of oil is greater than that of water.



Surface oil detector (Okazaki Plant)

Installation of Groundwater Membrane Filtration Equipment

At the Okazaki Plant, equipment has been set up to filter groundwater so that it can be used to supply drinking water during disasters not only to employees but also to people nearby the plant.



Groundwater membrane filtration equipment (Okazaki Plant)

Prevention of Pollution



It is possible that the air pollutants and chemical substances emitted due to business activities will have an impact on human health and biodiversity.

In order to contribute to the realization of a sustainable society, Mitsubishi Motors considers the prevention of pollution to be one of the material issues for the Company. In the stage of product development, along with promoting the development of fuel economy improving technologies and electric vehicle technologies, we strive to manage to hazardous substances. In production processes, we are endeavoring to reduce air pollutants emitted from out plants by voluntarily enacting activity standards that are stricter than legal requirements. In order to reduce the impact on the environment from air pollutants and chemical substances, we engage in the prevention of pollution throughout all of our business activities.

Initiatives with regard to Products

Development of Electric Vehicle Technologies

Gasoline and diesel engines inevitably generate harmful components that are the cause of air pollution when fuel is consumed.

Mitsubishi Motors will reduce the emission of harmful substances by developing electric vehicle technologies and popularizing electric vehicles.

TOPICS

Provision of *Outlander PHEV* and *i-MiEV* to Da Nang City in Vietnam



In April 2018, we provided Da Nang City in Vietnam with two *Outlander PHEV* and two *i-MiEV* and two quick chargers. These electric vehicles are being used for transportation to sightseeing areas in the city and in the nearby World Heritage site of Hoi An, for example.

Vietnam is working to realize green cities with clean air, and in 2008, an Environmental City Plan was announced with the aim of the environmental urbanization of Da Nang by 2020. We will conduct a joint study regarding CO₂ reduction effects from electric vehicles and the effective use of electric vehicles in sightseeing areas.

Prevention of Pollution

Initiatives with regard to Products



Purifying Exhaust Gas while Driving

Vehicles powered by gasoline and diesel engines inevitably emit combustion gases from the engine while driving. These exhaust gases contain pollutants. Mitsubishi Motors constantly develops and promotes gasoline and diesel engine vehicles that emit lower concentrations of these noxious exhaust gases.

Improving Gasoline Engine Vehicles

Since the 1960s, emissions of carbon monoxide, hydrocarbons, and nitrogen oxides (NOx) have been steadily restricted by regulations. Mitsubishi Motors has taken various measures since such regulations were first introduced. We currently comply with these regulations by applying electronically controlled fuel injectors and advanced catalyst technologies to the combustion control system.

Improving Diesel Engine Vehicles

For diesel engine vehicles, carbon monoxide, hydrocarbons, NOx, and particulate matter have been regulated in some countries, such as Japan, United States and European countries, since the 1970s. Since such regulations were first introduced, we have taken measures including improving the combustion technology. To comply with these regulations, we have developed and produced clean diesel engines by systemizing technology such as VG turbochargers, controlling combustion with a common rail fuel injection system, introducing after-treatment using NOx trap catalysts, and diesel particulate filters.

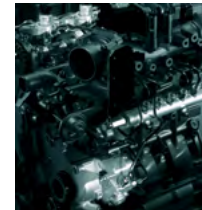
VG Turbocharger

The VG turbocharger helps to improve fuel economy and suppress emissions of particulate matter through optimum supercharging across the engine's operating range.



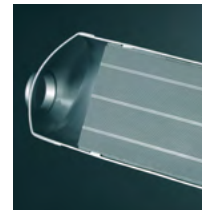
Common Rail Fuel Injection System

Particulate matter and NOx can be generated due to incomplete combustion. In Mitsubishi Motors vehicles, this is suppressed using a high-pressure fuel pump, common rail accumulator that stores highly pressurized fuel, and electronically controlled fuel injectors.



Diesel Particulate Filter (DPF)

This substantially reduces particulate matter.



TOPICS

New Delica D:5 Purifying Exhaust Gas



The *Delica D:5* that was released in February 2019 is equipped with a massively-renewed 2.2l common rail DI-D clean diesel turbo engine. The urea SCR*1 system that purifies emissions from the turbo diesel engine has been used by Mitsubishi Motors for the first time. By means of the aqueous urea solution AdBlue®*2, nitrogen oxide is stably purified.

*1 Abbreviation of Selective Catalytic Reduction.
*2 AdBlue® is a registered trademark of Verband der Automobilindustrie (VDA).

Prevention of Pollution

Initiatives with regard to Products



Reduction of Hazardous Substances

In accordance with the reduction targets of the Japan Automobile Manufacturers Association, Inc. and EU end-of-life vehicles directive, Mitsubishi Motors is working to reduce the use of four substances (lead, mercury, cadmium, and hexavalent chromium). We have established internal technical standards to voluntarily reduce hazardous substances. We are also taking measures to comply with regulations on the use of hazardous substances in each country in compliance with the REACH regulation* concerning substances. At present, in addition to four substances and other heavy metals, the use of VOCs (volatile organic compounds), bromine-based flame retardants and various other substances is regulated. Regulations similar to European ones are being enforced in developing countries in Asia as well. We are working to voluntarily reduce hazardous substances by setting internal technical standards.

* REACH stands for "Registration, Evaluation, Authorisation and Restriction of Chemicals." Enacted on June 1, 2007, the REACH regulation is a general system to register, evaluate, authorize and restrict the use of substances

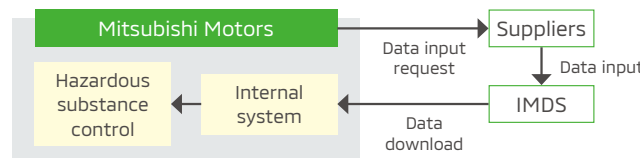
Material Data Control by the International Material Data System (IMDS)

Data on the hazardous substances contained in vehicle parts delivered by suppliers are collected by the International Material Data System (IMDS), an international system for collecting such data. Together with overseas plants such as Mitsubishi Motors (Thailand) Co., Ltd. (MMTh), we utilize the collected data under a globally centralized internal system for reducing

hazardous substances.

In cooperation with suppliers, we are complying with the REACH regulation, a general system for the registration, evaluation, authorization, and restriction of substances used in the EU.

◆ Flow of Data Collection through IMDS



Reduction of In-Cabin VOCs

To provide customers with a healthy and safe cabin space, Mitsubishi Motors works to reduce volatile organic compounds (VOCs) inside the cabin.

VOCs are compounds that easily volatilize at room temperature such as formaldehyde and toluene. These compounds are thought to cause sick building syndrome, and may irritate the eyes, nose, and throat. In an automobile cabin, they are mainly generated by adhesives and paint used in interior parts.

The Japan Automobile Manufacturers Association, Inc. (JAMA) established voluntary guidelines for reducing vehicle cabin VOC concentration levels (the "Voluntary Guidelines") applicable to new model passenger cars marketed starting from the 2007 fiscal year.

Please see the JAMA website for details regarding the Voluntary Guidelines.

(WEB) <http://www.jama-english.jp/release/release/2005/050214.html>

Progress

In order to reduce the amount of in-cabin VOCs, we are taking measures to reduce the sources of VOCs as well as VOCs themselves. All new models since the Mitsubishi i launched in January 2006 satisfy the voluntary guidelines set by the Japan Automobile Manufacturers Association (JAMA).

◆ Example of Measures to Reduce VOCs

Central panel	Reduced organic solvents in the surface painting
Carpet	Reduced aldehydes in pile adhesives
Seat	Reduced organic solvents in fabric adhesives
Ceiling	Adsorbs and decomposes formaldehyde using the clean air filter deodorizing function
Air-conditioner	Reduces VOCs with clean air filter with deodorizing function

Prevention of Pollution

Efforts in Production



Preventing Air Pollution

Reducing VOC Emissions

We endeavor to reduce the amount of VOCs emitted from vehicle body production by reducing consumption of paint and improving recovery rate of used paint thinner. We achieve this by updating painting robots and adjusting the painting production lot size.



Deodorizing equipment for electrodeposition drying furnaces to reduce VOC emissions (Okazaki Plant)

Reducing NOx and SOx*1 Emissions

To reduce NOx emissions, we introduced low NOx content boilers as the heat sources used for paint processes and are promoting use of low NOx content burners. To reduce SOx emissions, we changed the fuel for the boilers to kerosene or city gas, which has less sulfur content.

*1 NOx: Nitrogen oxide, SOx: Sulfur oxide

Reducing Particulate Matter

We abolished waste incinerators to reduce the generation of soot and dioxins.

Management of Chemical Substances

Control of PRTR*2 Substances

We have long since examined the physical properties and details of usage plans of new chemical substances by using the “substances toxicity prior examination system,” to determine whether or not those new chemical substances may be introduced, in order to emphatically suppress the toxicity from highly risky chemical substances.

*2 Abbreviation of "Pollutant Release and Transfer Register." Report on the discharge removal quantities of substances

Appropriate Management of Hazardous Waste

Mitsubishi Motors manages hazardous waste so that we do not import or export hazardous waste which is restricted by the Basel Convention on the Control of Transboundary Movements of Hazardous and Their Disposal. In addition, in case of domestic transportation and disposal of hazardous waste, we make efforts to appropriately transport and dispose hazardous waste to prevent the exposure of toxic materials.

Appropriate Management of Waste Containing PCBs

Harmful polychlorinated biphenyls (PCBs) are contained as insulation oil in transformers and condensers that were manufactured a long time ago. Based on the Act on Special Measures concerning Promotion of Proper Treatment of PCB Waste, we promote the correct processing of equipment that uses low-concentration PCB and waste that contains PCB, and we plan for disposal by the processing deadline.

Preservation of Biodiversity



All living things are intricately connected in various relationships and live in balance. We benefit from this biodiversity in our lives.

Mitsubishi Motors both directly and indirectly impacts on biodiversity due to land use (including the construction of plants), the release of chemical substances from plants, and the greenhouse gas emitted from the use of the company's products and business activities. We believe it is a priority to protect biodiversity so that we can continue to enjoy the blessings of biodiversity.

The company formulated the "Mitsubishi Motors Group Guidelines for the Preservation of Biodiversity" in August 2010 and promotes conservation activities. None of our business sites in Japan are located in or adjacent to protected areas according to the Nature Conservation Act and prefectural codes. However, we have been progressively conducting surveys on ecosystems in order to understand the impact our business activities have on biodiversity.

Mitsubishi Motors Group Guidelines for the Preservation of Biodiversity

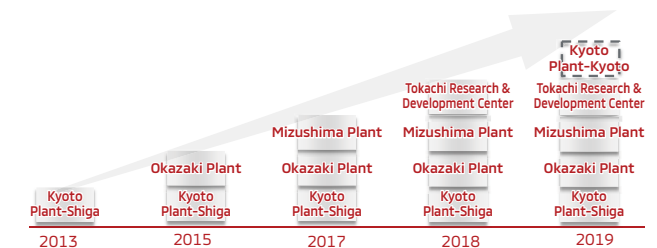
The Mitsubishi Motors Group will continue to track and reduce its impact on biodiversity, recognizing that the activities of humankind can both benefit from and affect the diversity of living organisms. To this end, the entire Group will take on initiatives for preventing global warming and environmental contamination, and promote the recycling and efficient use of resources, while engaging in activities that pay consideration to biodiversity.

1. Consideration to biodiversity in business activities
We will track and reduce the impact of business activities on biodiversity by conserving energy, reducing the generation of waste, and curtailing the release of chemicals. At the same time, we will also pay consideration to neighboring communities when making use of land for factory construction and other purposes.
2. Consideration to biodiversity in products
We will promote fuel efficiency, exhaust gas countermeasures and recycling-friendly design of our products, while striving to select and use materials that pay consideration to the environment.
3. Education, understanding and self-awareness
We will continue to educate the entire Group from management to employees on the front lines to share a common understanding and develop a self-awareness of the relationship between business activity and biodiversity.
4. Cooperation and collaboration with society
These activities will be promoted in cooperation with all stakeholders including the supply chain, stockholders, local governments, local communities, non-profit organizations (NPOs) and non-governmental organizations (NGOs).
5. Information disclosure
We will strive to disclose and disseminate the content and results of these activities to customers and local communities.

Ecosystem Surveys at Business Sites in Japan

Production of vehicles requires largescale plants. Mitsubishi Motors believes that assessing the impact that the use of land in company business has on local biosystems is important to our biodiversity protection initiatives. Based on this concept, we conduct ecosystem surveys at our domestic business sites with large-scale land, such as our factories with support from consultancies related to biodiversity. Ascertaining biosystems not only in domestic business sites but also in the surrounding environment by means of field surveys and documentary research leads to maintenance measures that are in harmony with local biodiversity.

◆ Locations of past initiatives



Preservation of Biodiversity



TOPICS

Ecosystem Survey by Tokachi Research & Development Center

The Tokachi Research & Development Center (Otofuke-cho, Kato-gun, Hokkaido) has one of the largest Japanese test courses.

Since May 2018, with support from Regional Environmental Planning, Inc., we have conducted an ecosystem survey of plants, mammals, birds, insects, and aquatic life.

As a result of the survey, it was confirmed that there are 841 species of habiting plants and animals, of which 35 are rare species.

The forests of the Tokachi R&D Center located on a hill in Otofuke-cho, which has a vast amount of cultivated land, comprise diverse environments, including a conifer forest area, a deciduous broad-leaved forest, ponds, rivers and meadows. It was found that a habitat is being provided for living things that prefer each of these environments. We will continue to engage in activities with an eye to biodiversity, such as the maintenance and management of greenery within our business sites. Through this, we believe that we can strengthen connection with the natural environment around Tokachi R&D Center.

From fiscal 2019, we will implement maintenance activities based on the issues identified in this survey.



Survey of birds



Owl found in survey

Overseas Preservation Activities

The overseas affiliate Mitsubishi Motors Philippines Corporation (MMPC) and the Philippines Department of Environment and Natural Resources (DENR), in accord with the Sustainable Integrated Area Development (SIAD), began a joint afforestation project in March 2018. This project aims to realize sustainable development that is essential for people in poverty, who are particularly susceptible to climate change, and local communities that have been left behind by society. The plan is to plant trees in a total area of 100 hectares in approximately five years in Luzon.

In fiscal 2018, coffee and cacao, etc. planting activities were conducted in an area of 32 hectares in the Province of Ilocos Norte.

Preservation of Biodiversity

Biodiversity Data



Condition of Protected or Restored Habitats (Achievements by FY2018)

Business Site	Protection: Initiatives of preserving native plants and creatures in and around the plants	Restoration: Initiatives of restoring the ecosystem in and around the business sites to the condition which native plants and creatures are able to live
Kyoto Plant-Shiga	Environmental preservation of "Yatsuda" where White egret flower lives	Restoration of cogongrass gregariousness, which provides habitats for various insects
Kyoto Plant-Kyoto	—	Planting Asarum caulescens, Blackberry lily and Eupatorium japonicum, which are native plants of Kyoto city
Okazaki Plant and Research & Development Center	Preparation of growth environments for birds through the installation of birdbaths	—
	Construction of a culvert beneath the test course to provide a movement route for mammals, etc.	

Habitat Status of Rare Species (Red List of Japanese Ministry of the Environment) in and around the Plants (Status up to FY2018)

Kyoto Plant-Shiga (period of survey: 2013 - 2014)

Category	Number of Species	Discovered Species
VU (Vulnerable)	3	Clouded salamander, Whirligig Beetle and Oryzias latipes
NT (Near Threatened)	7	White egret flower, Agrostis valvata, Eurasian Sparrowhawk, Japanese pond turtle, B lack-spotted Pond Frog, Trigomphus citimus and Trigomphus interruptus
EN (Endangered)	1	Species of insects not to be disclosed

Okazaki Plant and Research & Development Center (period of survey: 2016)

Category	Number of Species	Discovered Species
NT (Near Threatened)	2	Northern Goshawk, Eurasian Sparrowhawk
DD (Data Deficient)	1	Polistes japonicus

Mizushima Plant (period of survey: 2017)

Category	Number of Species	Discovered Species
VU (Vulnerable)	1	Falcon
NT (Near Threatened)	2	Osprey, Japanese buzzard (Okayama Prefecture Red Data Book)

Tokachi Research & Development Center (period of survey: 2018)

Category	Number of Species	Discovered Species
VU (Vulnerable)	7	White tailed eagle, Black woodpecker, Far eastern brook lamprey, Japanese crayfish, Corydalis, Rhododendron dauricum, Ajuga ciliata var. villosior
NT (Near Threatened)	12	Japanese sable, Grey nightjar, Latham's snipe, Northern goshawk, Lasius teranishi, Brenthis daphne (subspecies of Hokkaido/North Honshu), Glaucopsyche, Japanese big-ear radix, Hyphydrus japonicus Sharp, Ilybius apicalis, Water scavenger beetles, Potamogeton pusillus
EN (Endangered)	2	Margaritiferidae, Carex uda
DD (Data Deficient)	4	Tamias sibiricus, Hazel grouse, Ezo salamander, Coenomyia basalis

Environmental Data

Product and Business Activity Indicators

Product Fuel Economy and CO₂ Emissions (Corporate Average) *1

		Unit	2014	2015	2016	2017	2018
Japan (fuel economy)*2		km/L	19.1	18.4	19.2	18.2	18.3
United States (fuel economy)	Import passenger automobile	mpg	35.2	39.8	41.3	44.6	45.9
	Light truck	mpg	33.2	34.4	34.6	34.9	35.8
Europe (CO ₂ emissions)		g-CO ₂ /km	115	110	118	118	— *3
China (fuel economy)	Import vehicle	L/100km	8.8	8.4	10.0	12.0	12.0
	Local production vehicle	L/100km	7.7	7.4	7.6	7.5	7.1

*1 Reported values to authorities in respective countries and regions.
 *2 Tabulation includes passenger vehicles but excluded electric vehicles and plug-in hybrid electric vehicles.
 *3 We'll disclose the value after reporting it to the European authorities.

Business Activity Indicators

		Unit	2014	2015	2016	2017	2018
Production		x10 ³ t-CO ₂	523	449	394	477	513
Non-production		x10 ³ t-CO ₂	75	69	67	63	70
Japan		x10 ³ t-CO ₂	433	400	363	387	404
Asia		x10 ³ t-CO ₂	98	89	91	147	173
Others		x10 ³ t-CO ₂	67	29	7	6	6
Scope 1 (direct emissions)		x10 ³ t-CO ₂	132	110	104	120	132
Scope 2 (indirect emissions)		x10 ³ t-CO ₂	466	408	357	420	451
(Scope 1+2) Total		x10 ³ t-CO ₂	598	518	461	540	583
Scope 3 (Supply Chain Greenhouse Gas Emissions)		x10 ³ t-CO ₂ eq	34,595	35,711	32,592	38,721	42,580
(Scope 1+2+3) Total		x10 ³ t-CO ₂ eq	35,193	36,229	33,053	39,261	43,163

Target site: 23 management target companies
 CO₂ emission factors
 ●Based on "Greenhouse Gas Emissions Conversion, Reporting, and Announcement System based on the Act on Promotion of Global Warming Countermeasures"
 ●Overseas emission factors taken from the IEA's "CO₂ Emissions from Fuel Combustion (2018 edition)"

Scope 3 Breakdown (FY2018 results)

		Unit	2014	2015	2016	2017	2018	Coverage
Category1	Purchased goods and services	x10 ³ t-CO ₂ eq	5,907	6,026	5,389	5,855	6,900	non-consolidated (only production)
Category2	Capital goods	x10 ³ t-CO ₂ eq	137	164	159	297	407	non-consolidated
Category3	Fuel energy not included in Scope 1 or 2	x10 ³ t-CO ₂ eq	55	44	42	45	21	consolidated
Category4	Upstream transportation and distribution	x10 ³ t-CO ₂ eq	1,448	1,343	772	1,013	1,278	consolidated
Category5	Waste generated in operations	x10 ³ t-CO ₂ eq	16	12	10	16	19	non-consolidated (only production)
Category6	Business travel	x10 ³ t-CO ₂ eq	4	4	4	4	4	consolidated
Category7	Employee commuting	x10 ³ t-CO ₂ eq	14	13	13	14	14	consolidated
Category8	Upstream leased assets	x10 ³ t-CO ₂ eq	—	—	—	—	—	—
Category9	Downstream transportation and distribution	x10 ³ t-CO ₂ eq	—	—	—	—	—	—
Category10	Processing of sold products	x10 ³ t-CO ₂ eq	—	—	—	—	—	—
Category11	Use of sold products	x10 ³ t-CO ₂ eq	26,440	27,475	25,623	30,731	33,199	all destination (Based on units sold)
Category12	End-of-life treatment of sold products	x10 ³ t-CO ₂ eq	570	626	575	741	727	all destination (Based on units sold)
Category13	Downstream leased assets	x10 ³ t-CO ₂ eq	—	—	—	—	—	—
Category14	Franchises	x10 ³ t-CO ₂ eq	4	4	5	5	12	Some domestic dealers
Category15	Investment	x10 ³ t-CO ₂ eq	—	—	—	—	—	—

Environmental Data

Product and Business Activity Indicators

Energy Input (Primary and Secondary Energy)

(FY)

	Unit	2014	2015	2016	2017	2018
Total amount	PJ*	11.9	10.4	8.3	9.7	10.6
Production	PJ	10.5	9.1	7.0	8.2	8.9
Non-production	PJ	1.4	1.3	1.3	1.5	1.7
Japan	PJ	7.4	6.9	6.5	6.9	7.2
Asia	PJ	3.00	2.8	1.6	2.4	2.9
Others	PJ	1.5	0.7	0.2	0.4	0.5

Target site: 23 management target companies

* 10¹⁵ joules Unit calorific value: Quoted from the "Act on the Rational Use of Energy"

Sulfur Oxide

(FY)

	Unit	2014	2015	2016	2017	2018
Total emissions	t	177	185	193	195	219

Target site: 23 management target companies

Calculation method: calculated the weight of sulfur contained in the used fuel and converted the weight into sulfur dioxide (SO₂)

Nitrogen Oxide

(FY)

	Unit	2014	2015	2016	2017	2018
Total emissions	t	107	93	89	92	87

Target site: 23 management target companies

Calculation method: Fuel usage volume calculated using the Ministry of the Environment's "Environmental Activity Evaluation Program" emission factor

VOC (Volatile Organic Compounds)

(FY)

	Unit	2014	2015	2016	2017	2018
Total emissions	t	2,013	2,151	2,166	1,882	2,354

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant, Pajero Manufacturing Co., Ltd, Suiryo Plastic Co., Ltd

Emissions of Ozone-Depleting Substances

Estimated at less than 0.1t (CFC equivalent) for Mitsubishi Motors Corporation alone.

Generated Waste

(FY)

	Unit	2014	2015	2016	2017	2018
Total amount	x10 ³ t	161	162	150	162	187
Production	x10 ³ t	151	153	141	148	176
Non-production	x10 ³ t	10	9	9	14	11

Target site: 23 management target companies

Generated Waste and Externally Disposed Waste (Mitsubishi Motors alone)

(FY)

	Unit	2014	2015	2016	2017	2018
Total amount produced	x10 ³ t	125	111	93	99	104
Externally disposed waste	x10 ³ t	48	52	47	48	56
Internal recycle	x10 ³ t	77	59	46	51	48

Raw Material Input

(FY)

	Unit	2014	2015	2016	2017	2018
Iron and aluminum	x10 ³ t	172	158	137	143	154
Resin	x10 ³ t	2.3	2.9	3.0	3.0	2.5

Target site: Okazaki Plant, Mizushima Plant, Kyoto Plant

Withdrawn Water Volume

(FY)

	Unit	2014	2015	2016	2017	2018
Total amount	x10 ³ m ³	5,739	5,452	5,606	6,727	6,211
Production	x10 ³ m ³	5,398	5,184	5,295	6,343	5,901
Non-production	x10 ³ m ³	341	268	311	384	310
City water	x10 ³ m ³	895	652	428	1,150	878
Industrial water	x10 ³ m ³	3,324	3,232	3,505	3,602	3,412
Underground water	x10 ³ m ³	1,520	1,568	1,673	1,975	1,921

Target site: 23 management target companies

•Retroactive revisions have been made to correct previous errors.

•MMKI recycles and reuses some of its wastewater. In fiscal 2018, roughly 306,000m³ of water was recycled. (Roughly 2% of total Mitsubishi Motors Group water withdrawal.)

Wastewater Volume

(FY)

	Unit	2014	2015	2016	2017	2018
Total amount	x10 ³ m ³	3,497	4,170	3,977	4,577	4,504
Production	x10 ³ m ³	3,156	3,902	3,666	4,193	4,194
Non-production	x10 ³ m ³	341	268	311	384	310
Sewage	x10 ³ m ³	789	1,635	1,708	2,405	2,396
Public waters	x10 ³ m ³	2,708	2,535	2,269	2,172	2,108

Target site: 23 management target companies

•Includes some estimated figures.

Environmental Data

Product and Business Activity Indicators

Environmental Accounting

Environmental Conservation Costs

Category		Main Initiatives Details	Unit	2017		2018	
				Investment	Cost	Investment	Cost
Business Area Cost	Pollution Prevention Cost	Preventing air pollution, water pollution and soil pollution	Million yen	63	1,269	106	1,315
	Global Environmental Conservation Cost	Preventing global warming and the ozone depletion	Million yen	388	14	171	13
	Resource Circulation Cost	Reduction, proper disposal and recycling of the waste	Million yen	6	829	22	1,226
Upstream/Downstream Costs		Withdrawing used bumpers and corresponding automobile recycling law	Million yen	35	1,789	0	1,770
Administration Activity Cost		Maintaining certification of ISO14001, educating employees and monitoring	Million yen	120	668	56	680
R&D Cost		Research and development about reductions in environmental impact of products such as improving fuel economy and exhaust gas measures	Million yen	3,567	39,545	1,116	41,527
Social Activity Cost		Hands-on environmental lessons, supporting global environmental activity, donation to environmental groups and disclosing environmental information	Million yen	2	328	68	239
Environmental Remediation Cost		Compensation for environmental damage by business activities	Million yen	10	4	0	138
Total			Million yen	4,191	44,446	1,539	46,907
			Unit	Capital investment	R&D cost	Capital investment	R&D cost
<Reference> Group-wide capital investment, R&D cost			100 Million yen	999	1,025	1,377	1,243

Economic Benefit Associated with Environmental Conservation Activities (Actual Benefits)

Category	Details of Benefit	Unit	2017	2018
			Benefit	Benefit
Revenue	Operating revenue from the sale of recycled waste products and used products produced through key business	Million yen	2,232	2,512
Cost Reduction	Energy expense saving through energy conservation	Million yen	▲675	▲889
	Water expense saving through water conservation	Million yen	1	▲3
	Disposal cost saving through lower resource input or recycle	Million yen	▲3	▲241
	Packaging materials cost saving through recycling	Million yen	454	439
Total		Million yen	2,009	1,818

Environmental Data

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2018)

Explanation of values

The regulation values indicate the strictest values in the text of laws, regulations and pollution prevention agreements. For atmospheric emissions, the maximum values are indicated.

Regarding PRTR, Class I Designated Chemical Substances that are handled at a volume of a 1 t/year or more are listed.

Technical words in the charts NOx: Nitrogen oxide SOx: Sulfur oxide BOD: Biochemical oxygen demand

COD: Chemical oxygen demand SS: Concentration of suspended solids in water

Atmospheric pollutants

Okazaki Plant

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler (Large-type, NO ₂)	ppm	130	60
	As above (Other)	ppm	150	54
	Drying furnace (for coating)	ppm	250	35
Soot dust	Boiler	g/Nm ³	0.1	0.003
	Drying furnace (for coating)	g/Nm ³	0.1	0.002
SOx (sulfur in fuel regulations)		wt%	0.5	0.0007
Formaldehyde	Drying furnace	mg/m ³	30	4.6

Mizushima Plant

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler (Steam)	ppm	150	—
	(Heating)	ppm	150	70
	(Small-type)	ppm	150	45
	(Absorption-type air conditioner)	ppm	180	58
	(Booth fan heating facility)	ppm	100	15
	Drying furnace	ppm	230	60
	Melting furnace	ppm	200	27
	Metal heating furnace	ppm	180	40
	Total amount	Nm ³ /h	12.749	5.788
	Soot dust	Boiler	g/Nm ³	0.1
(Booth fan heating facility only)		g/Nm ³	0.03	0.0005
Drying furnace		g/Nm ³	0.1	0.05
Melting furnace		g/Nm ³	0.1	0.001
Metal heating furnace		g/Nm ³	0.1	0.028
SOx (sulfur in fuel regulations)		wt%	0.50	0.088

Mizushima Plant (Harmful gases (Okayama Prefecture regulations))

Substance	Unit	Regulation value	Emissions (maximum)
Acrylonitrile	ppm	40	0.1
Acetonitrile	ppm	80	0.1
Formaldehyde	ppm	10	0.7
Cyan and its compounds	ppm	10	—
Carbon disulfide	ppm	40	—
Phenol	ppm	10	—
Styrene	ppm	200	<0.1
Benzene	ppm	50	—
Phosgene	ppm	0.1	—
Vinyl chloride	ppm	500	—

Kyoto Plant - Kyoto

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler	ppm	150	79
	Drying furnace	ppm	230	≤77
	Melting furnace	ppm	200	≤91
	Metal heating furnace	ppm	180	≤97
Soot dust	Boiler	ppm	0.1	≤0.0075
	Drying furnace	ppm	0.2	0.0035
	Melting furnace	ppm	0.1	0.31*
	Metal heating furnace	ppm	0.2	0.017
SOx (sulfur in fuel regulations)		wt%	0.5	0.0282
Dioxin	Melting furnace	ng-TEQ/Nm ³	1	0.058
	Drying furnace	ng-TEQ/Nm ³	1	0.00068

* The actual values in December 2018 were higher than regulation values. In January 2019, as a result of measuring soot dust from the process of liquefying work at the order of the government (total of 13 times), it was confirmed that the values were within regulated limits (0.0035-0.022).

Kyoto Plant - Shiga

Atmospheric pollutants	Equipment	Unit	Regulation	Actual (maximum)
NOx	Boiler	ppm	150	62
Soot dust	Boiler	g/Nm ³	0.1	≤0.0046

Environmental Data

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2018)

Water pollutants

Okazaki Plant

Water pollutants	Unit	Regulation		Actual		
		Daily average shown in parentheses		Maximum	Minimum	Average
pH	—	5.8~	8.6	7.5	6.9	7.1
BOD	mg/L	25	(20)	7.0	0.8	2.7
COD	mg/L	25	(20)	11.0	2.1	5.5
SS	mg/L	30	(20)	11.0	1.0	1.8
Oil	mg/L	2		0.5	0.5	0.5
Copper	mg/L	0.5		0.01	0.01	0.01
Zinc	mg/L	1		0.14	0.01	0.05
Soluble iron	mg/L	3		0.1	0.1	0.1
Soluble manganese	mg/L	3		0.2	0.1	0.1
Chromium	mg/L	0.1		0.02	0.02	0.02
E-coli	Unit/cm ³	300		170	30	49
Total nitrogen	mg/L	15		11.0	1.4	7.9
Total phosphorus	mg/L	2		0.33	0.05	0.19
Fluorine	mg/L	1.0		0.96	0.10	0.64
COD total amount	kg/day	61.6		24.0	5.8	11.5
Total amount of total nitrogen	kg/day	71.5		38.8	8.4	17.8
Total amount of total phosphorus	kg/day	8.6		2.55	0.17	0.58

• Other than the above, the following were all below lower limits (not detected): Cyan, hexavalent chromium, cadmium, organic phosphorus, lead, phenol, trichloroethylene, 1,1,1-trichloroethane, alkyl mercury, PCB, selenium, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, dichloromethane, cis-1,2-dichloroethylene, tetrachloroethylene, 1,1,2-trichloroethane, benzene, 1,3-dichloropropene, simazine, and thiram, thiobencarb.

Mizushima Plant

Water pollutants	Unit	Regulation		Actual		
		Daily average shown in parentheses		Maximum	Minimum	Average
pH (Rivers)	—	6~8		7.5	7.0	7.2
pH (Seas)	—	6~8		8.0	7.0	7.4
BOD (Rivers)	mg/L	30	(20)	15.0	<1.0	4.8
COD (Rivers)	mg/L	30	(20)	14.0	3.0	6.2
COD (Seas)	mg/L	20	(15)	8.6	1.7	4.3
COD Total amount (Rivers + Seas)	kg/day	294		46.8	18.8	33.5
SS (Rivers)	mg/L	40	(20)	37.0	<1.0	1.6
SS (Seas)	mg/L	40	(20)	<2.5	<1.0	<1.0
Oil (Rivers)	mg/L	2	(1)	0.6	<0.5	<0.5
Oil (Seas)	mg/L	2	(1)	0.5	<0.5	<0.5
Zinc (Rivers)	mg/L	2		0.99	<1.0	0.32
Zinc (Seas)	mg/L	2		0.29	<0.1	0.01
Soluble iron (Rivers)	mg/L	10		<0.1	<0.1	<0.1
Soluble iron (Seas)	mg/L	10		<0.1	<0.1	<0.1
Soluble manganese (Rivers)	mg/L	10		0.47	<0.1	<0.1
Soluble manganese (Seas)	mg/L	10		<0.1	<0.1	<0.1
E-coli (Rivers)	unit/cm ³	3000		6	1	2.7
E-coli (Seas)	unit/cm ³	3000		0	0	0.0
Total amount of total nitrogen	kg/day	123		55.1	27.2	41.7
Total amount of total nitrogen	kg/day	47.8		28.5	5.1	10.2
Total nitrogen (Rivers)	mg/L	120	(60)	13.0	2.8	8.4
Total nitrogen (Seas)	mg/L	120	(60)	3.7	1.0	2.6
Total phosphorus (Rivers)	mg/L	16	(8)	3.60	0.40	1.30
Total phosphorus (Seas)	mg/L	16	(8)	0.30	<0.01	0.03
Boron (Rivers)	mg/L	10		<0.1	<0.1	<0.1
Boron (Seas)	mg/L	230		<0.1	<0.1	<0.1
Fluorine (Rivers)	mg/L	8		1.9	0.5	1.4
Fluorine (Seas)	mg/L	15		0.4	<0.1	<0.2
Ammonia, ammonium compounds, nitrites, and nitric compounds (Rivers)	mg/L	100		7.8	1.8	5.2
Ammonia, ammonium compounds, nitrites, and nitric compounds (Seas)	mg/L	100		2.0	0.8	1.0

• Other than the above, the following were all below lower limits (not detected): Copper, lead, cyan, total chromium, hexavalent chromium, cadmium, organic phosphorus, total mercury, arsenic, phenol, trichloroethylene, trichloroethane, alkyl mercury, PCB, selenium, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, dichloromethane, cis-1,2-dichloroethylene, tetrachloroethylene, 1,1,2-trichloroethane, benzene, 1,3-dichloropropene, simazine, thiram, and thiobencarb.

Environmental Data

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2018)

Water pollutants

Kyoto Plant - Kyoto

Water pollutants	Unit	Regulation	Actual		
			Maximum	Minimum	Average
pH	—	5~9	7.4	5.7	6.5
BOD	mg/L	600	250	2.8	103.9
SS	mg/L	600	99.0	9.5	24.2
Oil	mg/L	5	<1.0	<1.0	<1.0
Zinc	mg/L	5	0.05	0.05	0.05
Soluble iron	mg/L	10	0.36	0.11	0.24
Soluble manganese	mg/L	10	0.71	0.44	0.60
Total nitrogen	mg/L	240	44.6	8.6	26.9
Total phosphorus	mg/L	32	0.49	0.10	0.20
Arsenic	mg/L	0.1	<0.05	<0.05	<0.05
Dioxins	pg-TEQ/L	10	0.0051	0.0051	0.0051

* All drainage from processes is discharged to sewers, and the items for analysis have been determined in an agreement with the government of Kyoto City.

Kyoto Plant - Shiga

Substance	Unit	Regulation value	Emissions		
			Maximum	Minimum	Average
pH	—	5~9	8.4	6.7	7.6
BOD	mg/L	600	26.0	1.0	5.2
SS	mg/L	600	10.0	5.0	5.3
Oil	mg/L	5	3.3	1.0	1.1
Total nitrogen	mg/L	60	7.2	0.6	3.7
Total phosphorus	mg/L	10	0.7	0.1	0.3

* All drainage from processes is discharged to sewers, and the items for analysis have been determined in an agreement with the government of Konan City.

Environmental Data

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2018)

PRTR-designated pollutants

Okazaki Plant

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
1	Water-soluble zinc compounds	kg/year	17,325	0	45	0	0*	0	12,949	0
53	Ethyl benzene	kg/year	63,334	40,039	0	0	971	1,639	14,129	6,556
71	Ferric chloride	kg/year	16,384	0	0	0	0	0	0	16,384
80	Xylene	kg/year	134,998	46,477	0	0	1,106	1,125	59,916	26,374
239	Organic tin compounds (Dibutyltin oxide)	kg/year	3,796	0	0	0	569	0	3,227	0
240	Styrene	kg/year	0	0	0	0	0	0	0	0
296	1,2,4-Trimethylbenzene	kg/year	64,675	10,511	0	0	1,128	161	31,644	21,231
297	1,3,5-Trimethylbenzene	kg/year	9,444	2,872	0	0	324	76	20	6,152
300	Toluene	kg/year	321,517	125,735	0	0	2,506	18,126	101,539	73,611
302	Naphthalene	kg/year	1,189	698	0	0	40	0	0	451
309	Nickel compounds	kg/year	2,383	0	184	0	1,337	0	862	0
392	n-Hexane	kg/year	17,985	68	0	0	4	26	10,905	6,982
400	Benzene	kg/year	8,903	30	0	0	0	0	6,767	2,106
411	Formaldehyde	kg/year	840	126	0	0	1	0	0	713
412	Manganese and its compounds	kg/year	5,619	0	334	0	1,943	0	3,342	0
Total		kg/year	668,392	226,556	563	0	9,929	21,153	245,300	160,560

• Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume

• Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product

• Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

* The amount of sludge accounting for transported decomposed matter was 4,331 (kg/year). However, as this was not aqueous compounds, it has not been included in the amount of transported decomposed matter (confirmed by Okazaki City)

Environmental Data

Atmosphere/Wastewater Quality/PRTR Substance Data (Results from FY2018)

PRTR-designated pollutants

Mizushima Plant

NO.	Substance name	Unit	Amount handled	Emissions		Removal volume		Recycled volume	Consumed volume	Removal treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
1	Water-soluble zinc compounds	kg/year	16,469.1	0	642.3	0	4,586.9	0	11,240.1	0
53	Ethyl benzene	kg/year	16,892.5	1,975.8	0	0	144.4	4,680.9	9,986.4	105.3
80	Xylene	kg/year	52,212.5	2,353.4	0	0	161.2	5,071.0	44,509.1	117.5
188	N,N-Dicyclohexylamine	kg/year	1,709.7	0	0	0	1,709.7	0	0	0
239	Organic tin compounds	kg/year	7,615.3	0	0	0	380.7	0	7,234.6	0
277	Triethylamine	kg/year	1,281.6	1,281.6	0	0	0	0	0.0	0
296	1·2·4- Trimethylbenzene	kg/year	42,930.0	12,099.7	0	0	709.0	0	28,479.2	1,642.3
297	1·3·5- Trimethylbenzene	kg/year	4,194.8	3,507.7	0	0	206.9	0	0	479.8
300	Toluene	kg/year	96,910.3	319.1	0	0	0	11,312.2	85,279.0	0
309	Nickel compounds	kg/year	3,257.7	0	371.1	0	1,727.7	0	1,159.0	0
392	n-Hexane	kg/year	38,220.5	179.3	0	0	0	0	38,041.2	0
400	Benzene	kg/year	6,936.3	20.7	0	0	0	0	6,915.6	0
407	Polyoxyethylene alkyl ether	kg/year	8,832.7	0	90.8	0	8,741.7	0	0	0
411	Formaldehyde	kg/year	3,080.1	1,904.3	0	0	0	0	0	1,175.8
412	Manganese and its compounds	kg/year	3,193.8	0	173.0	0	1,102.9	0	1,888.6	29.1
438	Methylnaphthalene	kg/year	4,583.9	268.6	0	0	0	0	4,315.3	0
Total		kg/year	308,320.8	23,910.2	1,277.2	0	19,471.1	21,064.1	239,048.1	3,549.8

• Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume

• Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product

• Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

Environmental Data

Atmosphere/Wastewater Quality/PRTR-designated Pollutants Data (Results from FY2018)

PRTR-designated pollutants

Kyoto Plant - Kyoto

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
37	Bisphenol A	kg/year	6,676.8	0	0	0	0	0	6,658.8	18.1
53	Ethyl benzene	kg/year	10,430.8	5.4	0	0	0	0	10,425.3	0
80	Xylene	kg/year	45,790.8	16.1	0	0	0	0	45,774.8	0
87	Chromium and chromium (III) compounds	kg/year	16,908.8	0.3	0	0	0	0	16,908.6	0
258	Hexamethylenetetramine	kg/year	70,248.2	0	0	0	0	0	47,887	22,361.2
296	1.2.4-Trimethylbenzene	kg/year	20,613.9	6.9	0	0	0	0	20,607	0
297	1.3.5-Trimethylbenzene	kg/year	5,563.1	1.7	0	0	0	0	5,561.4	0
300	Toluene	kg/year	141,794.6	42.9	0	0	0	0	141,751.7	0
349	Phenol	kg/year	6,962.7	0	0	0	0	0	5,770.7	1,192
392	n-Hexane	kg/year	14,747.2	3.2	0	0	0	0	14,744	0
400	Benzene	kg/year	4,308.7	0.5	0	0	0	0	4,308.2	0
411	Formaldehyde	kg/year	1,528.7	0	0	0	0	0	1,523.1	5.6
412	Manganese and its compounds	kg/year	17,257.4	0.2	0	0	0	0	17,257.2	0
448	Methylenebis diisocyanate	kg/year	1,518	0	0	0	0	0	0	1,518
Total		kg/year	364,349.5	77.1	0	0	0	0	339,177.6	25,094.8
243	Dioxins	mg-TEQ/year		9.7		0.000023				

Kyoto Plant - Shiga

NO.	Substance name	Unit	Amount handled	Emissions volume		Removal volume		Recycled volume	Consumed volume	Removal treatment volume
				Atmosphere	Public waters	Sewage line	Waste			
300	Toluene	kg/year	1,949.0	0.6	0	0	0	0	1,948.4	0
Total		kg/year	1,949.0	0.6	0	0	0	0	1,948.4	0

- Amount handled=Emission+transport volume+recycled volume+consumed volume+removal processed volume
- Consumed volume: Volume transformed to other substances by means of a reaction or contained within a product
- Removal treatment volume: Volume transformed to other substances by means of incineration, decomposition or reaction

Social

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Safety and Quality

Delivering Products which Help Prevent Traffic Accidents



Basic Approach to Safety

Mitsubishi Motors is aware of its responsibility towards traffic safety as an automaker, and we have set “Delivering products which help preventing traffic accidents” as a key part of our CSR activities. Approximately 1.35 million people are lost in traffic accidents worldwide every year*1 As vehicle ownership increases in emerging countries in particular, traffic accident fatalities are also on the rise. Reducing traffic accidents is an urgent global issue, and Target 3.6, the United Nations Sustainable Development Goals, (SDGs) calls for halving the number of global deaths and injuries from road traffic accidents by 2020. Mitsubishi Motors is upholding a safety philosophy towards a car society with zero traffic accidents. To this end, we are taking action from two perspectives: developing safety technologies and promoting traffic safety education.

*1 2018 World Health Organization (WHO) survey

Management Structure

The vision for the safety concept behind product development is “the realization of a car society with zero traffic accidents,” and guidelines and a strategy for safe development have been established by the product safety committee. Here, we are promoting the development and use of accident prevention technology by assessing both the tangible and intangible aspects of the fundamental safety of products from the perspectives of both the prevention and damage limitation of traffic accidents for vehicle traffic safety. Specifically, we have clarified initiatives for technology that prevents accidents in advance (active safety technology), technology that reduces damage (passive safety), prevention of fires and injury, etc. (safety protection), and more.

◆ Targets and Results

Initiatives	Ideal image	Indicator	FY2018 Results
Delivering products which help prevent traffic accidents	Realization of a car society with zero traffic accidents	Completion period for establishment of approach (framework) to safety technology	Approach (framework) to safety technology established January 2019

Initiatives

Development of Safety Technology

We strive to incorporate various safety technologies into our products, and to provide comfortable and safe mobility. Our goal is to help customers enjoy the freedom of movement, the convenience of transportation, and the pleasure of driving.

Active Safety Technology to Avoid Crashes

The ultimate solution to eliminate traffic accidents caused by automobiles is to prevent collisions, that is, to prevent accidents in advance. Mitsubishi Motors puts its energies into developing and equipping vehicles with various types of preventive safety technologies and providing safety to society in order to achieve this objective.

Safety and Quality

Delivering Products which Help Prevent Traffic Accidents



● Active Safety Technologies

We are increasing the models equipped with active safety technology: “Active Safety Technologies” to support safe and comfortable driving using equipment such as millimeter wave radar and cameras. Active Safety Technologies comprises one or more of the following functions to support safe operation by drivers.

◆ Active safety functions

Function	Description
Forward Collision Mitigation Brake System	Detects vehicles and pedestrians ahead. If there is a risk of collision, the system alerts the driver or automatically applies the brakes to mitigate collision damage or avoid a collision.
Lane Departure Warning	Continuously monitors the lane markers ahead of the vehicle. If the vehicle appears to nearly drift out of the lane, the system will alert the driver.
Adaptive Cruise Control System	Automatically follows the vehicle ahead by decelerating or stopping. Maintains a constant, preset headway distance from the vehicle ahead to reduce the risk of a collision.
Ultrasonic Misacceleration Mitigation System	When the driver starts a car to drive forward or in reverse, the system prevents rapid acceleration caused by the driver's improper operation of the gear shift or accelerator pedal.
Automatic High Beam	Automatically switches between low beams and high beams depending on whether there is an approaching vehicle or vehicle ahead, the ambient lighting conditions, and other factors.

body, and enhance collision safety performance in all directions: front, rear, and sides.

The *Eclipse Cross*, launched in 2018, adopts a front-to-rear straight frame structure that can efficiently absorb collision energy. The vehicle interior (cabin) has numerous high tensile strength steel plates to restrict deformation and protect passengers.

The *Eclipse Cross* has been awarded a five out of five star rating for its safety performance in many countries and regions around the world.



RISE Body used in the *Eclipse Cross*

◆ Main External Ratings of the *Eclipse Cross*

Region	Date	Name	Rating
Europe	November 2017	2017 Euro NCAP*2	Five-star
Australia/New Zealand	December 2017	2017 ANCAP*2	Five-star
ASEAN	January 2018	2018 ASEAN NCAP*2	Five-star
Latin America	June 2018	2018 Latin NCAP*2 (Adult passenger protection rating)	Five-star
Japan	November 2018	2018 JNCAP*2	Five-star

*2 Abbreviation of New Car Assessment Program. An automobile safety testing and assessment program implemented by a third party organization in each country or region.

Mitsubishi Motors is also pursuing safety with regard to pedestrians as well as drivers and passengers. We have adopted energy absorbing structures in the hood, cowl top, windshield wipers, and other parts in order to mitigate injury to pedestrians' heads. Energy absorbing structures that protect pedestrians' legs are also used in bumper faces and headlights, for example.

Body Structures that Protect People

In the event of a collision, it is crucial to have a vehicle body structure that mitigates the impact on passengers and provides adequate space. Mitsubishi Motors has adopted the Reinforced Impact Safety Evolution (RISE)

Safety and Quality

Delivering Products which Help Prevent Traffic Accidents



TOPICS

Scope of Support Cars Expanded

Safety support cars are vehicles equipped with advanced technologies that support safe driving. As part of the effort to prevent traffic accidents caused by all drivers including elderly people, and to mitigate damages and injuries caused by the accidents, Japanese government recommends this new automobile safety concept. Vehicles are classified into the following categories: "Safety Support Cars" or and "Safety Support Cars S" (Basic, Basic +, and Wide) depending on the features in each vehicle. Mitsubishi Motors is expanding its lineup of safety support cars.

◆ Safety Support Car Models (as of July 2019)

Category	Safety Support Car	Safety Support Car S Basic	Safety Support Car S Basic +	Safety Support Car S Wide
Model	<i>RVR</i> <i>Delica D:5</i> <i>Delica D:5 Urban Gear</i>	<i>Mirage</i>	<i>eK Space</i>	<i>Outlander PHEV</i> <i>Outlander</i> <i>Eclipse Cross</i> <i>eK Wagon</i> <i>eK Cross</i> <i>eK Space Custom</i> <i>Delica D:2</i> <i>Delica D:2 Custom</i> <i>Town Box</i> <i>Minicab</i>

Among these models, the *eK Space*, *eK Space Custom*, *Delica D:2* and *Delica D:2 Custom* were awarded the highest rating, ASV+++, by the National Agency for Automotive Safety and Victims' Aid (NASVA) in its fiscal 2018 car assessment of active safety performance.

In addition, in the "Advanced Emergency Braking System Performance Evaluation System" newly established by the Ministry of Land, Infrastructure, Transport and Tourism in March 2018, the *eK Cross* and the *eK Space* received recognition for their AEBS performance.

Safety and Quality

Delivering Products which Help Prevent Traffic Accidents

Traffic Safety Education and Promotion

Mitsubishi Motors conducts traffic safety education and promotes safe driving to raise safety awareness throughout society with the objective of reducing traffic accidents.

- Dissemination of Traffic Safety Information
Automobile Safety Facts Guide Website

We disseminate information on the proper use of equipment and other topics that require drivers' special attention so that drivers will use automobiles more safely.



Click here for details:

[WEB](https://www.mitsubishi-motors.co.jp/support/safety/popup/index.html) <https://www.mitsubishi-motors.co.jp/support/safety/popup/index.html>

(This site is only available in Japanese.)

- Dissemination of Traffic Safety Information for Children
Website for Children “Do You Know the Answer? Traffic Safety Quiz”

On the “Why? Why? Car Development Research Group” website that was designed to provide information on the automobile industry to elementary school age children, there is a webpage about traffic safety using a quiz format to introduce traffic rules and manners they should follow when walking or riding a bicycle in their day-to-day activities.



Click here for details:

[WEB](https://www.mitsubishi-motors.com/jp/csr/contribution/next/kids/anzen/) <https://www.mitsubishi-motors.com/jp/csr/contribution/next/kids/anzen/>

(This site is only available in Japanese.)



Safety and Quality

Improvement of Product, Sales, and Service Quality

Policy

Mitsubishi Motors revised the following quality policy on April 1, 2019.

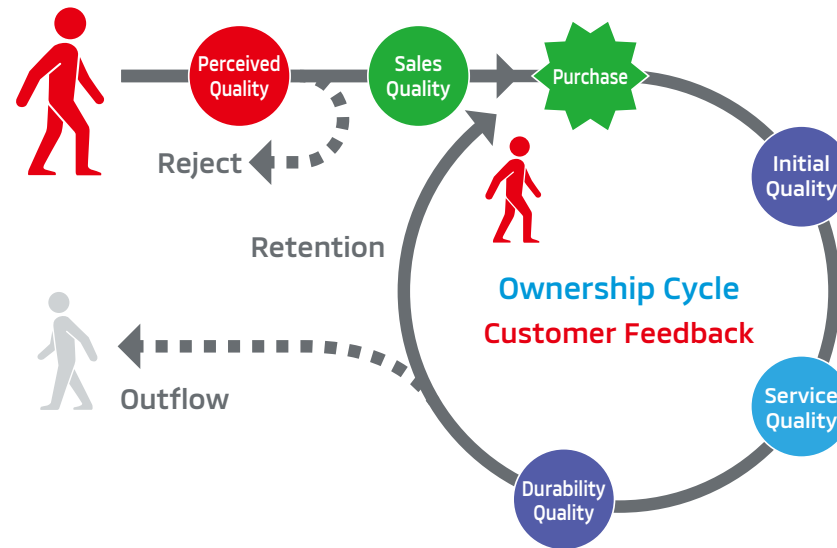
Quality Policy

Quality is the fundamental requirement to support our business.

1. Commit to excellence in Product, Sales, and Service Quality exceeding customer expectations
2. Focus on Quality of Management to continuously improve overall company performance.
3. Comply with laws and global regulations to gain trust in Mitsubishi Motors Quality.

On the basis of this policy, in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period, we are taking measures to improve quality in four categories: Product quality, perceived quality, sales quality, and service quality. Product quality includes the initial quality that customers experience immediately after purchasing a new car, and durability that customers experience throughout the entire period of use and so we sincerely listen to the opinions of customers and correct any issues so that we can promptly make improvements.

In addition, we are working to improve perceived quality in terms of aspects such as the usability, comfort, and appearance that customers perceive when they observe, feel, and use our products. With regard to sales quality and service quality demonstrated at sales companies that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction. We strive to achieve the highest levels of quality from the customer's viewpoint so that we can achieve customer satisfaction during every point of contact with customers.



Safety and Quality

Improvement of Product, Sales, and Service Quality

We analyze quality information in order to realize “Top level quality from customer viewpoint” and we set specific objectives for which we investigate and implement policies toward realization while regularly following-up on the status of improvements.

◆ Targets and Results

Initiatives	Ideal image	Indicator	FY2018 Results	FY2019 targets
Improving Product Quality	Top level Quality from Customer viewpoint	Ratio of defects identified within 3 months in service of new vehicle sale	Reduction in ratio of defects identified within 3 months in service of new vehicle sale	Further reduction in ratio of defects identified within 3 months in service of new vehicle sale
Improving Sales Quality		SSI (Sales Satisfaction Index)	SSI (Sales Satisfaction Index) Achievement of Top 3 positioning in two of the key management countries	SSI (Sales Satisfaction Index) Achievement of Top 3 positioning in key management countries
Improving Service Quality		CSI (Customer Satisfaction Index)	CSI (Customer Satisfaction Index) Achievement of Top 3 positioning in four of the key management countries	CSI (Customer Satisfaction Index) Achievement of Top 3 positioning in key management countries

Initiatives

Improving Product Quality

Dealing responsibly not only with defects related to safety but also with regard to points raised and complaints about products is essential to improving customer satisfaction. Regarding vehicles that have already been sold, we are taking measures to reduce initial defects with a focus on defect incidents that occurred within three months to twelve months after sale. We have raised the speed of solutions through collaboration among development and production divisions, leading to a reduction complaint by customers. Furthermore, with the aim of improving the initial quality of its new vehicles, Mitsubishi Motors holds cross-functional “oobeya (large room) activities” where

employees from various divisions including development, production, service, quality control, and procurement meet in one room from the point at which shipment starts to consider countermeasures to address any problems that may occur. By so doing, the initial quality can be improved more quickly. Also, issues that are not defects but can cause customer dissatisfaction lead to the improvement of processes during the development stage so that new vehicles can be improved.

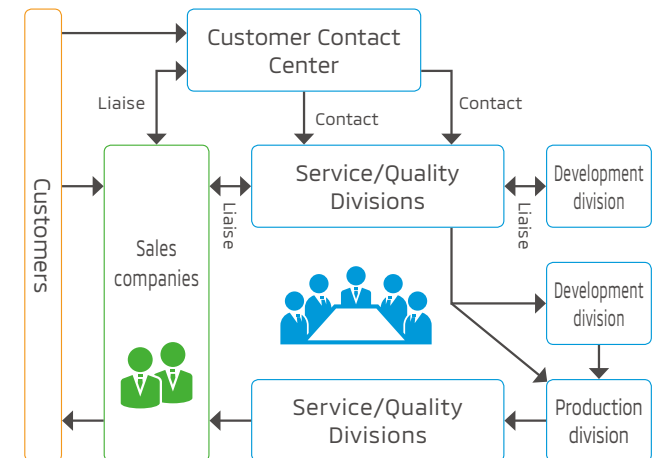
Use of Customer Voice

One of the missions of the Group is to provide new experiences for our customers with attractive products and service excellence to achieve a high level of customer satisfaction. For that reason, we gather and analyze valuable customer comments and opinions received by our sales companies in Japan and overseas and

by our Customer Contact Center. Our quality control, development, production, sales, and service divisions work together to actively improve quality.

Improving Quality through Customer Voice

Sales companies hold specific interviews with customers on defects and related conditions. The quality sections have a system in place for sharing information received from sales companies with relevant divisions. Also, by using a newly introduced system to analyze issues found in specific models, indications of defects from customers (quality information) and repair records, we can identify defect information and take countermeasures at an early stage to improve quality.



Safety and Quality

Improvement of Product, Sales, and Service Quality

Major Activities of the Customer Contact Center

The Customer Contact Center accepts inquiries every day including weekends and holidays. The various comments and information from customers are managed in a database. Of the points raised, matters regarding defects are addressed in order to resolve customer problems in collaboration with sales companies and are used for further quality enhancements. In addition, feedbacks as well as opinions about product functionality, or opinions about specifications, are shared with relevant divisions and used to improve product capabilities even further. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.

Customer Support for Recalls and Other Market Responses

We have systems in place to provide information to customers in a timely manner in the case of market responses such as recalls as a result of defects that involve safety. We send direct mail to users of the affected vehicles and provide information on obtaining free inspections and repairs to be performed at a sales company at an early time. We also post information on our website so that customers can check whether their vehicles are subject to a recall and the status of repair implementation.

Recall information can be found at the following website
 (WEB) <http://www.mitsubishi-motors.co.jp/support/recall/>
 This site contains the Japanese market information (only in Japanese).

	Domestic	
	No. of cases	No. of units
FY2016	26 cases	Approx. 1,938,000 units
FY2017	27 cases	Approx. 629,000 units
FY2018	13 cases	Approx. 298,000 units

Improving Perceived Quality

We are taking measures from the development stage to improve quality with an emphasis on customer perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the life of a vehicle after purchase.

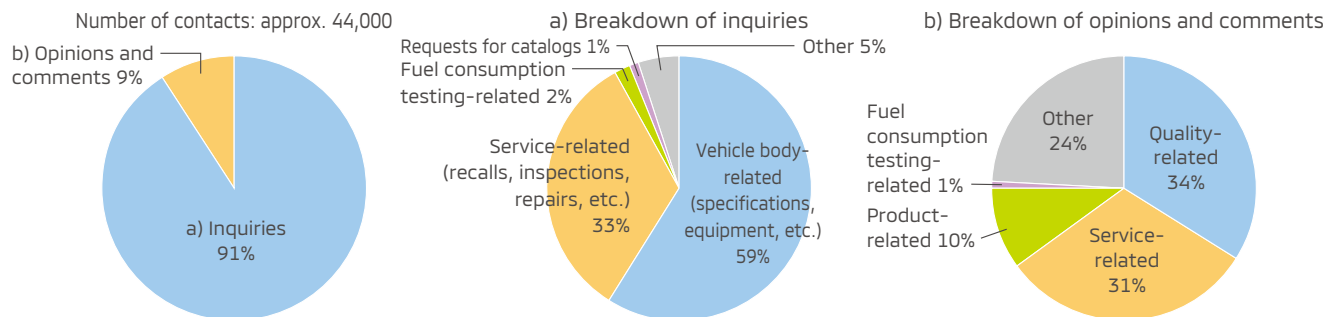
Improving Sales Quality

We aim for Top level Quality from Customer's viewpoint and take action in concert with sales companies to improve the quality of sales in order to become a brand supported and identified with by our customers.

Cooperation with Domestic Sales Companies

One of the measures that domestic sales companies are taking is the provision of proposals and a new sales pitch experience tailored to customer needs by promoting sales pitch styles using IT. For example, sales companies introduced tablet PCs to provide visual and easy to understand product explanations and have customers that come to the sales outlets use the tablets to respond to questionnaires regarding the quality of service in order to make timely improvement. Further improvements in customer satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction. In addition, in order to promote the popularization of EV/PHEVs, in fiscal 2018, the number of Dendo Drive Stations, which are next-generation sales outlets designed to convey the significance and value of EV/PHEVs to as many people as possible using presentations and demonstrations, increased to 64 stores. Please refer to "Efforts at Dealers" on p. 42 regarding Dendo Drive Stations.

◆ Contacts Received at the Customer Contact Center in Fiscal 2018



Safety and Quality

Improvement of Product, Sales, and Service Quality

Cooperation with Overseas Sales Companies

Cooperation with sales companies in each country and region is essential for achieving high customer satisfaction overseas. Mitsubishi Motors provides product information to sales companies on a daily basis and strives to gather comments and opinions from local customers. Also, we visit individual countries to plan further improvements by gathering market information and product requests directly through interviews.

Regional meetings are held regularly in Europe, ASEAN, the Middle East, and other regions, and sales companies from around the world gather each year at the Global Distributors Meeting. Those meetings serve to develop a sense of unity among the sales companies and to share sales strategies, the latest product information, best practices for raising customer satisfaction, and so on.

Appropriate Product and Service Information Disclosure

In compliance with the laws and regulations of each country and region, we strive to provide product and service information and labeling displays.

Improving Service Quality

At the service sites of sales companies (dealers), which have direct contact with customers, it is crucial to provide customer-oriented “service quality” starting at the time of vehicle purchase.

Mitsubishi Motors collaborates with domestic and overseas sales companies to improve day-to-day on-site response capabilities (communication and technical skills) so that we can live up to customer expectations and receive customer satisfaction.

Succeeding Service Skills in Japan

Succeeding and improving service skills and knowledge of service staff are essential to customer satisfaction.

Mitsubishi Motors has its own servicing skill certification, and encourages service staff at sales companies to acquire this certification. In addition, we hold the biennial national Service Skills Contest where service staff from domestic sales companies can improve their service skills by competing against one another.

At a national contest held in February 2018, 51 winners of the regional competitions tested their skills against one another. The winning engineer and service advisor of the contest represented Japan in the Global Service Skills Contest described below.

Our seven Technical Centers across Japan organize technical meet-ups and seminars and support sales companies to solve difficult repairs and swiftly meet customer requests through visiting sales companies by technical staffs of technical centers.

TOPICS

Succeeding Service Skills Overseas

With the intent of succeeding service skills, Mitsubishi Motors dispatches outstanding engineers from Japan to emerging countries to conduct “caravan activities” where they provide technical guidance. In fiscal 2018, we worked to improve technical capabilities on a global scale by training local service staff in the field by dispatching two personnel to Puerto Rico, Indonesia and Malaysia (six in total).

Also, at the Global Service Skills Contest held in February 2019, 36 service personnel who won national and regional contests from 23 countries and regions including China, Thailand, Indonesia, Australia, and Taiwan gathered to compete on the accuracy and speed of their work.



Caravan activities



Global Service Skills Contest

Safety and Quality

Improvement of Product, Sales, and Service Quality

Management Structure

Mitsubishi Motors has established a Quality Strategy Committee (QSC) and a Quality Management Committee (QMC) chaired by the executive officer in charge of Quality. Periodically, the QSC deliberates on matters of quality strategy, while the QMC deliberates on the improvement of the quality of management as a whole. Also, Quality Management Meetings are held with the TCS corporate general manager as the chair, which makes monthly confirmations regarding the progress of each policy for quality improvement, and which engages in problem resolution toward the execution of strategies and target achievement. Also, regarding information from customers about vehicle defects provided by sales companies, we have established systems for immediate policy consultation, establishment and enactment by regularly gathering and sharing information.

Developing a Quality-Oriented Mindset

Since fiscal 2014, we have been holding Quality Forum in all domestic business locations in connection to activities that lead to increased quality in products, people and the Company as each employee individually reassesses and improves the quality of their work. Quality Forums were also newly held overseas in fiscal 2018 at factories in Thailand and Indonesia, and we plan to expand this to other regions in the future.

◆ Numbers of Participants in Quality Forum

	Domestic forums	Overseas forums
FY2014	2,324	—
FY2015	3,590	—
FY2016	Postponed	—
FY2017	2,809	—
FY2018	4,550	1,880

Assessing the Needs of Customers

By listening to the actual comments and opinions of customers, we are helping employees to consider customer needs.

This is included in the new employee training curriculum for both new employees and mid-career entry, and we provide numerous opportunities to take on customer perspectives, including training for promoted personnel and voluntary training courses.



Customer Voice Seminar

Improvement of Customer Focus

At Mitsubishi Motors, for employees that so desire, we are supporting the acquisition of Consumer Affairs Advisor qualification, which is a business qualification from the Prime Minister and Minister of Economy, Trade and Industry, with the objective of considering needs from the perspective of consumers and improving the quality of products and services.

As of April 1, 2019, 62 qualifications holders have enrolled, making Mitsubishi Motors 10th in the list of companies with the largest number of qualification holders.*1

*1 According to research by Japan Industrial Association

◆ Consumer Affairs Advisor qualification holders

Division	Number of qualification holders
Corporate Affairs	10
Product Strategy/ Development	36
Procurement/ Production	4
Sales	4
Quality	7
Other	1

Contribution to Local Economy through Business Activities



Policies

Mitsubishi Motors has been developing business in the ASEAN region since prior to the rise of motorization, and we have grown up alongside these countries while developing close ties with the region based on the idea that “regional development” is “Mitsubishi Motors development.”

“Contributing to local economies through business” is a material CSR issue for CSR, and we are promoting activities with the aim of “contributing to local economies through investment, employment, human resource development, technology transfer and export by developing business in the ASEAN region.” *1
By providing ASEAN customers with the products that they need, in addition to expanding business from now on, we will contribute to the local economy through employment, human resource development, investment, technology transfer and export.

*1 For “Identification of CSR material issue,” please go to P.06

Management Structure

The Sales Division of the Head Office, which has the role of overseeing local subsidiaries in the ASEAN region, is responsible for material CSR issues, and it confirms the progress and results from initiatives. Regarding initiatives in Thailand, Indonesia and the Philippines, where Mitsubishi Motors’ production bases are located, the rate of progress and results and checked with local subsidiaries every six months, and a report is made to executives in through the CSR committee.

◆ Targets and Results

Initiatives	Ideal image	FY2018 Results	FY2019 Targets
Employment	Continuous creation of local employment	Creation of employment for a total of 11,616 (inc. non-full time employees) local employees in Thailand, Indonesia and the Philippines	Level maintained since FY2018
Human resource development	Support for the development of personnel responsible for the development of the local economy	Representative training: ● Dispatching local employees to Japan ● Implementation of business level reinforcement seminars for local employees ● Implementation of “Manufacturing Training” in order to enhance skills	Under the same policy as FY2018, offer the same level of training opportunities
Investment	Continuous implementation of capital investment in factories that supports the growth of the local economy and meets the need for business enhancement	Representative investment: Establishment of a plan to increase the production capacity of factories in Indonesia from 160,000 units to 220,000 units*1 by FY2020	Implementation of capital investment
Technology Transfer	Support for creation of markets by providing technology/expertise for electric vehicles and electric vehicle infrastructure	● Decision on KD production*2 for electric vehicles in Thailand ● Implementation of joint research with the government and universities, etc. in Indonesia, the Philippines and Vietnam	● Implementation of KD production project in Thailand ● Start of sales of finished models in Indonesia ● Continuous communication with government
	Reforming the manufacturing industry value chain in the local society by improving the competitiveness of factories	Promoting the improvement of factory quality, on-site improvements and increased productivity by participating in plant ranking in the Alliance Product Way (APW*3)	Implementing factor analysis in order for each factory to improve itself and making improvements through PDCA
Export	Supporting growth of the local economy through the acquisition of foreign currency by means of export	FY2018 export units Thailand: 360,000 units Indonesia: 42,000 units	Export more units than FY2018

*1 Production capacity during peak periods of operation

*2 Knock Down production. A method of local construction and sales by importing the major parts

*3 Production method shared between Renault, Nissan and Mitsubishi

Contribution to Local Economy through Business Activities



Initiatives

Employment

We believe that the mission of Mitsubishi Motors is to lead the way for the continuous growth of the business and to create local employment. In fiscal 2018, the number of local employees in Thailand, Indonesia and the Philippines, where Mitsubishi Motors' production bases are located, reached 11,000. In fiscal 2019, we will maintain the same level since FY2018.

Human resource development

Mitsubishi Motors is supporting the growth of personnel responsible for the development of the local economy by furnishing them with specialist knowledge and skills through their experience of work at the company. Regarding the provision of training and OJT according to the situation in each country, in fiscal 2018, 19 local employees from Thailand were dispatched to Japan in order to train them as local employees/managers that are capable of being active in global business through the provision of opportunities to enhance management capabilities and leadership strengthening. In Indonesia, empowerment seminars were held for more than 500 employees according to their business level, which accounts for 15% of the total number of employees. In the Philippines, "Manufacturing Training" was conducted with the aim of raising the ability of the production division, and more than 700 employees received the training. Their specialisms are being increased, including the achievement of high scores at the Mitsubishi Motors

"Global Monozukuri Skill Competition ." Continuing in FY2019, we plan to conduct training and OJT in accordance with the situation in each country.

Investment

In addition to supporting the growth of the local economy, we are proactively making capital investment in factories in order to respond to the needs of business expansion. The demand for the XPANDER compact MPV produced in Indonesia has vastly exceeded initial plans, so the plan is to increase production capacity from the current 160,000 units to 220,000 units by fiscal 2020 by expanding the facilities of the entire factory. In Thailand, which is the largest overseas production site, we are making capital investment for the improvement of factory systems with the intention of continuously renewing global vehicle models centering on the Triton pickup truck. In the Philippines, we are continuing to renew production facilities, including IT, and to make investment.

Technology Transfer

In the ASEAN region, meeting environmental regulations is becoming a more important issue than ever. While mobility is on the rise and there is a global shift to electric vehicles, there is a rush to introduce electric vehicles in the ASEAN region, as well. Utilizing electric vehicle technology and expertise, which is one of the strengths of Mitsubishi Motors, we are leading the way ahead of other companies by conducting joint studies alongside

governments, universities and research agencies in each country to contribute to drafting government policy related to the popularization of electric vehicles. In Thailand, we have decided KD production for electric vehicles, and in Indonesia we will start the sale of final models of electric vehicles in 2019. We will continuously contribute to the creation of the market through the provision of technology and expertise related to electric vehicles and EV infrastructure. Also, in terms of technology transfer by production sites, we are working to strengthen the competitiveness of factories such that the value chain of the manufacturing industry in the local society is transformed. Specifically, by participating in plant ranking in the Alliance Production Way that measures the quality, inventory, costs and productivity of factories, we are strengthening competitiveness by means of PDCA for the improvement of factory quality, the promotion of on-site improvements and increased productivity. In the plant rankings, Thailand improved in fiscal 2018 over the previous year, and Indonesia and the Philippines are scheduled to take part from fiscal 2019.

Export

Through exports, we are supporting the continuous growth of local economies. Utilizing its strategic location, the factory in Thailand, which is our largest overseas production site, is exporting key models, including pickup truck and SUVs to the ASEAN region and worldwide. The number of units exported from Thailand reached 360,000 in fiscal 2018, and a stable export business

Contribution to Local Economy through Business Activities

Initiatives

is being developed. Also, in Indonesia, exports of the XPANDER compact MPV began in fiscal 2018, and more than 42,000 units have been exported primarily in the ASEAN region.

Mitsubishi Motors is promoting a mutually complementary structure for production models whereby the different models are mass produced in individual countries in the ASEAN region and are supplied to the other countries. Through the increase in exports and the stable growth in local production from this, we are contributing to the local economy, including the further creation of employment and the development of the automobile industry.



Employees

Work Style Reform



Policies

Mitsubishi Motors views the key to creating sustainable growth and improving corporate value in an ever-changing operating environment is people. We therefore believe that realizing an environment is important where each and every person can perform meaningful work and demonstrate his or her abilities, and where people can work enthusiastically and in good health, both physically and mentally.

Work style reform is not simply about reducing the time spent working. Our efforts are directed at a vision of creating a work style of which we can be proud, through which employees can get a solid sense of their own personal development, and which realizes both development for the company and happiness for families.

Management Organization

Up till now, we have worked on developing an environment where diverse employees can maximize their abilities, promoting flexible ways of working that are free from the constraints of location and time, such as telecommuting and flextime systems. In January 2019, we established the Work Style Reform Committee, comprised of division general managers and led by the CEO, to promote further work style reform through the expansion and entrenchment of policies and measures.

◆ Targets and Results

Initiative	Ideal image	Indicator	FY2018 Results	FY2019 Targets
Promotion of work style reforms	Realize total working hours within 2,000 hours/year	Total working hours	within 2,152 hours/year	Work style reform Ongoing implementation of measures

Initiatives

Shortening Total Working Hours

Mitsubishi Motors is implementing measures to shorten total working hours in order to promote and establish work-life balance. Together with improving work efficiency, by encouraging employees to leave work on time and to take paid leave, and by introducing a telecommuting system and flextime system with no core time requirements, we are proceeding to create workplaces that allow a variety of flexible working styles free from the constraints of work location and time. At the new head office building, which we moved into in January 2019, we have created an environment that more actively promotes communication among employees, including free-address offices, open meeting spaces and cafeterias. In addition, we have also introduced the latest meeting room controlling system in an effort to improve productivity, and we have worked on eliminating paper, such as by installing large display screens in each meeting room.

◆ Examples of initiatives

Measures related to working hours
● Establishing every Friday as “No Overtime Day” where employees are encouraged to leave work on time
● Setting the third Friday or the Friday closest to the 20th day of each month as “Premium Friday” when employees are encouraged to leave work by 3 p.m.
● Encouraging employees to use our half-day leave system and flextime system, which we recently revised to remove the core time requirements
● Encouraging employees to take paid leave around public holidays and consecutive holidays in order to make a longer weekend
Measures related to places of work
● Encouraging employees to make use of the telecommuting system to a maximum of 80 hours per month
Measures for raising awareness about work style reforms
● Prohibiting work after 8 p.m. in principle, and holding activities to raise awareness of exercising self-control and not making phone calls or sending emails during overtime hours
● Making progress visible by counting and internally disclosing overtime hours and paid leave taken by each division

▶ DATA (P.89, 90): Working hours, ratio of paid leave taken, number of employees using telecommuting/flextime systems

Employee Surveys

Since fiscal 2013, we have conducted employee surveys to identify issues affecting the company, organizations, and individual employees. The survey results are used as reference indicators for improving awareness and operations at each workplace.

In fiscal 2017, we conducted an online survey of approximately 14,000 employees. In fiscal 2018, action plans for addressing the issues identified through the survey were formulated and implemented on a workplace basis.

Employees

Diversity

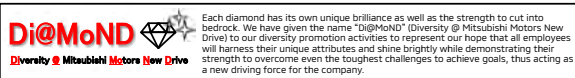


Diversity Promotion Policy

Mitsubishi Motors aims to grow sustainably while flexibly responding to the changing business and market environment resulting from progressive globalization and diversifying customer needs. To this end, we need employees with different values and ideas working together to create automobiles with new appeal and value for customers. With respect for employee diversity including gender, age, nationality, race, religion or ability, we are making efforts to create environment where each person can energetically work without difficulty. We established a Diversity Promotion Policy in July 2014 to promote and achieve diversity.

Diversity Promotion Policy

We aim to respond to change and heighten organizational capabilities by incorporating diverse viewpoints and approaches through the different abilities and characteristics of each employee. In this way, we will create vehicles offering new levels of attractiveness and value. We are promoting Di@MoND (Diversity @ Mitsubishi Motors New Drive) activities to create an environment where employees can maximize their individual abilities and play an active role.



Management Organization

Diversity is promoted in the form of Di@MoND activities by the Diversity Promotion Office based on the Diversity Promotion Policy.

◆ Targets and Results

Initiatives	Ideal image	Indicator	FY2018 Results	FY2019 Targets
Promotion of women's participation and advancement in the workplace	Have 100 women in management by the end of FY2020	Number of female managers	68	Implementation of reinforcement measures aimed at realizing vision
Promotion of employment of people with disabilities	Promote stable, continual employment of people with disabilities	Percentage of employees with disabilities	2.19%	Ongoing promotion of employment of people with disabilities
Promotion of LGBT awareness	Create workplace environments where LGBT people find it easy to work	External indicator for LGBT initiatives	"work with Pride 2018" PRIDE Index: GOLD	Continuation of activities promoting LGBT awareness

Initiatives

Diversity Report

Mitsubishi Motors has been periodically issuing the Diversity Report, a publication dedicated to diversity issues, since 2015 to raise awareness inside and outside the company regarding our diversity promotion initiatives. The latest issue, Vol. 4, is titled "Invigorating the organization through diversity." It picks up on some examples for utilizing individual diversity and values as a new driving force for the organization, while looking back at the history of diversity promotion thus far. Through this publication, we are working to raise awareness and create workplaces where every employee can shine and individuality can thrive.



Diversity Report

■ Diversity Report Vol. 4: Invigorating the organization through diversity
Issued December 2018 [PDF](#) [5MB]

The Diversity Report can be downloaded in PDF format.

Employees

Diversity

Promoting Women’s Participation and Advancement in the Workplace

Mitsubishi Motors promotes women’s participation and advancement in the workplace as a priority issue. In fiscal 2018, we conducted leadership training for women and role model lectures and dispatched four female employees to the Women’s Forum for the Economy & Society in Paris, France. As of July 2019, there were five female executives (12.5%), and there were 68 women in management positions (3.9%), of which 13 were at the general manager level. We also have our first ever female corporate vice president. Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, we have formulated an action plan to promote women’s advancement, setting a goal of 100 women working at the management level by the end of fiscal 2020. We will continue this initiative to create an environment where more female employees can work in positions of greater responsibility.

TOPICS

Mitsubishi Motors Selected as Constituent of MSCI Japan Empowering Women Index

In 2019, Mitsubishi Motors was selected as a constituent member of the MSCI Japan Empowering Women Index (WIN) for the second year in a row. WIN is an index developed by MSCI Japan Inc. for supporting investment in the environment, society, and governance (ESG). MSCI selects companies that lead their industries in promoting the hiring, continued employment, and advancement of women and diversity. MSCI makes its determinations based on data relating to the employment of women disclosed pursuant to the ACT on Promotion of Women’s Participation and Advancement in the Workplace and information disclosed by companies for example.



Work-Life Balance Initiatives

We are enhancing our work-life balance assistance programs to accommodate the diverse work styles of our employees. Creating foundations to facilitate work by employees in a variety of situations, in fiscal 2017 we introduced the telecommuting and accompanying leave systems to accommodate diverse work styles and life events. In fiscal 2018, we established the Work-life Balance Support Concierge within Mitsubishi Motors, from which employees can seek advice on the programs suitable for their individual childcare and

nursing care needs. Following feedback from employees who had sought advice, we relaxed the criteria for child nursing leave, short-term nursing care leave and the telecommuting system.

- ▶ DATA (P.89): Status of Female Management Promotions
- ▶ DATA (P.90): Number of persons taking childcare leave and utilizing main work-life assistance programs

◆ List of work-life balance assistance programs

Programs		Overview
Childcare	Pregnancy leave	Can be taken for the designated period of time applied for in advance, between becoming pregnant and the day prior to maternity leave (may be taken multiple times)
	Maternity leave	Six weeks prior to birth and eight weeks after birth
	Childcare leave	Can be taken up to the end of April of the following fiscal year after the child’s third birthday
	Child nursing leave	Can be taken until the end of the fiscal year of the child’s 12th birthday (one child: up to 5 days; two and over: up to 10 days; first five days are paid in both cases)
	Reduced working hours for childcare	Four-, five-, six-, or seven-hour work shifts can be chosen until the end of the fiscal year of the child’s 12th birthday (combined use with the flextime system is also available)
Nursing care	Nursing care leave	Aggregate total of three years can be taken per person receiving nursing care
	Short-term nursing care leave	If one person receiving nursing care: up to 5 days; if two or more people receiving nursing care: up to 10 days (first five days are paid in both cases)
	Reduced working hours for nursing care	Available until the reason for the nursing care no longer exists. Employees can elect to work, four-, five-, six-, or seven-hours per day, and are also eligible for flextime work.
Miscellaneous	Life plan leave	Employees can take up to 10 days leave per year for various predefined purposes such as receiving treatment for non-work related injury/illness, caring for family, childcare, infertility treatment, participating in volunteer activities, and language studies
	Accumulation of unused paid leave	Employees can accumulate unused annual paid leave up to four days per year to a maximum of 40 days which can be used for predefined purposes. (E.g., receiving treatment for non-work related injury/illness, caring for family, childcare, participating in volunteer activities, and infertility treatment)
	Flextime system	System that lets employees set their own working hours with no core time under predefined conditions on prescribed work days
	Telecommuting system	Limited to a maximum of 80 hours per month. Employees can work remotely using their own work PC, either at their own home or at the home of a family member if providing childcare or care for that family member.
	Reemployment system	Eligible for employees who resigned due to pregnancy, the birth of a child, childcare, nursing care, marriage, moving due to spouse work transfer, or other reason recognized by the Company, with an applicable period within five years after resignation
	Accompanying leave	Temporary leave system for employees to accompany spouses who have been transferred in Japan or overseas or are studying abroad, with an applicable period of from one month to five years

Employees

Diversity



Helping Employees to Balance Work and Childcare

Mitsubishi Motors actively supports employees who seek to balance work and childcare.

This support also extends to facilities, with two on-site day-care centers having been established. Dia-Kids Okazaki was opened at the Okazaki site in April 2017, followed by Dia-Kids Tamachi at our head office building in February 2019.

Since fiscal 2015, we have been holding get-to-know-you lunch meetings at the head office for employees on childcare leave and employees working reduced hours for childcare in order to eliminate concerns about returning to work by employees on leave, alleviate worries unique to those working while performing childcare, and support network building. Meet-and-talk sessions are also held between employees on childcare leave and workplace supervisors.

In addition, we have continued to hold training for employees who are working while raising children as well as training for managers with subordinates on childcare leave or who are raising children. In fiscal 2018, training sessions were held at two business sites (head office and Okazaki) with about 60 participants. Outside instructors were invited and employees with children learned how they should approach long-term career development while supervisors learned how to manage them properly about proper management.



Dia-Kids Tamachi, a day-care center for employees

Helping Employees to Balance Work and Nursing Care

As birth rates decline and society ages, we must not only support childcare as a company, but also help them balance their work and nursing care.

At Mitsubishi Motors, we have set up contact points where employees can consult with nursing care specialists as required via email or on the phone. We also organize on-site individual nursing care consultations with nursing care specialists. Furthermore, in fiscal 2018, we organized nursing care seminars delivered by outside instructors to provide basic information about how they can balance their Work and nursing care. The seminars, held in four regions (head office, Okazaki, Kyoto and Mizushima), were attended by about 300 employees, primarily managers.

Increasing Employment of Senior Workers

With the goal of handing down skills and technologies and securing a talented workforce that makes the most of its knowledge and experience, Mitsubishi Motors operates a program to reemploy senior workers after their retirement. As of March 2019, there were 664 reemployed workers, engaged in handing down techniques and training the next generation.

Promoting Employment of People with Disabilities

Aiming to achieve a workplace where everyone can work, we actively hire people with disabilities in a wide range of occupations.

As of April 2019, the percentage of employees with disabilities at Mitsubishi Motors was 2.14%. We will continue to promote additional employment while improving the work environment.

We also promote the employment of people with disabilities through MMC WING, a special-purpose subsidiary established in April 2007, which, as of April 2019, was employing 53 workers with intellectual disabilities at the Okazaki and Mizushima plants. After 13years has passed since its establishment, MMC WING has received many inquiries about employment from “Hello Work” Public Employment Security Offices, the prefectural employment and support center for disabled persons, and special needs schools, and has established a high profile in the region. In addition, we do not stop at just providing employment within our company when doing our part for employment support of people with disabilities. For example, we proactively accept requests from employment support facilities and special needs schools to try on-site training, providing people with disabilities opportunities to experience group activities and work processes.

▶DATA (P.90): Number of hired people with disabilities

Global Action

As part of the support offered to our workforce of non-Japanese employees, which is increasing year by year, we have established prayer rooms at our head office and Okazaki sites which are available to people of all religions and denominations. A facility for cleansing parts of the body before worship has also been set up in the prayer room at the Okazaki site.

Employees

Diversity

Addressing LGBT Issues

The Mitsubishi Motors Global Code of Conduct expressly includes respect for LGBT individuals under “Respect Human Rights and Diversity and Provide Equal Opportunity.” In fiscal 2018, we held an LGBT seminar with the aim of providing basic knowledge for accurate understanding of LGBT issues and increasing supporters known as “Allies.” It was attended by about 250 employees. We also exhibited at the Tokyo Rainbow Pride 2018 LGBT event, showcasing our initiatives for LGBT and diversity in general to visitors to the event.



TOPICS

Awarded PRIDE Index Gold Rating

Developed by “work with Pride,” a voluntary organization in Japan, PRIDE Index is an indicator for rating workplace initiatives for sexual minorities, including LGBT. In October 2018, Mitsubishi Motors was awarded the highest “gold” rating. We will continue to create workplace environments that are friendly for all employees.



Employees

Human Resource Development

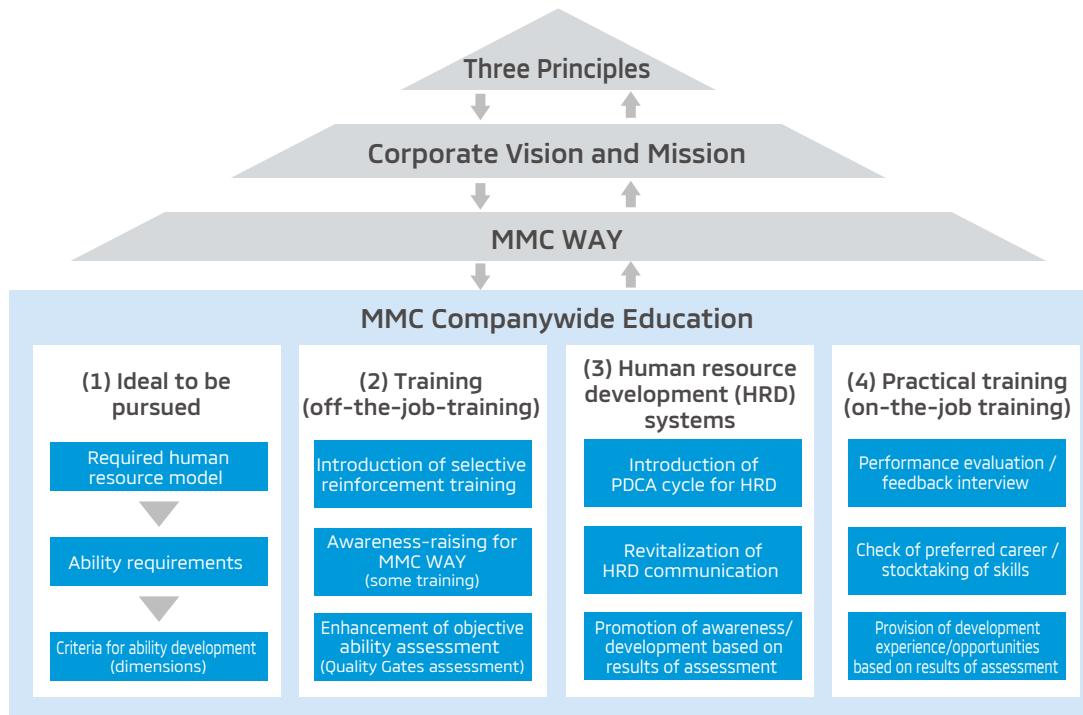


Policies

This educational system is supported by three pillars: the Three Principles, a statement of the Mitsubishi Group's management principles; our Corporate Vision and Mission; and the MMC WAY, guidelines for daily behavior. We have clarified the abilities and skills necessary to put these principles or behavior into practice. We also specified the ideal model for each job classification and introduced respective curricula based on both.

Employees also discuss their personal vision for the future during annual interviews with their superiors. Sharing such visions between superiors and subordinates leads to achievement of human resource development with deeper understanding.

◆ Education Pillars of Mitsubishi Motors



Employees

Human Resource Development



Management Organization

Based on the education pillars, sections in charge of education within the Human Resources Division have put in place a training program for the systematic development of human resources, from entry-level employees to general managers.

In addition to training curricula tailored to employee job classifications, various other training programs for employees have also been mapped out, including e-learning training for all employees and selective training that allows employees to select the programs they want to participate in.

◆ Targets and Results

Initiative	Ideal image	Indicator	FY2018 Results	FY2019 Target
Expansion of human resource development program	Promote development of human resources who practice the MMC WAY	Education program	Strengthened outside training open to all employees	Introduction of reinforcement training for middle management

◆ Organizational Framework of Mitsubishi Motors' Human Resource Development

Legend: Newly implemented

Job Classification (required human resource model)	Training for each job rank				Training across all job ranks	Global	
	Training for newly promoted employees	Reinforcement training	Training for candidates for promotion	Institutional training		Mindset/Skills	English
General managers (M1) (innovation leader)	Training for newly-promoted M1	Selective reinforcement training (e-Learning)		Feedback interview training Follow-up training on commitment and target & MMC WAY	Training for mid-career employees Engineer training	Selective training (OCD** program, etc.) Training for expats to be dispatched to foreign affiliates	TOEIC score range from 300 to 695 Measures for Improving TOEIC score
Section managers (M2) (management professional)	Training for newly promoted M2	Leadership training for organizational transformation Selective reinforcement training (e-Learning)	Training for M1 candidates (assessment)				
Assistant Manager (a leader of practical work)	Training for newly promoted Assistant Manager	Training for M2 candidates (preparatory training for assessment)	Training for M2 candidates (assessment)	Training for mentors of new graduates			
Main Staff (a key player in the execution of work)	Training for newly promoted Main Staff	Training for Assistant Manager candidates (advance training) Good communicator development training					
Staff (a professional in the operational work)	Entry-level employee training	Third year training*1 Second year training					
Clerical Staff (efficiently carries out operations)	Entry-level employee training	Third year training*1 Second year training					

*1 Mid-career employees undergo fundamental business skills follow-up training corresponding to third year training.

*2, 3 To be conducted within third year training and entry-level employee training program, respectively.

*4 OCD: Overseas Career Development

Employees

Human Resource Development



Initiatives

Training and Education

Strengthening of Middle Management

The role of middle managers acting as a bridge between management and the work floor is becoming increasingly important for responding to environmental change and enhancing organizational capability. Mitsubishi Motors has a training program for the systematic development of human resources from entry-level employees to general managers, and is particularly focused on enhancing programs that strengthen middle management. Specifically, in the training for section manager (M2) and general manager (M1) candidates, which is designed to improve management capability, opportunities are provided for them to learn the skills and abilities required at each level for identifying and resolving issues, and to also learn about characteristics of their own thinking and behavior, as well as points for improvement, through feedback provided by external assessors.

Fostering Global-Minded Human Resources

In line with increases in both overseas production and sales volumes, Mitsubishi Motors is placing emphasis on developing human resources who are capable of adopting a global perspective and performing in the global business field.

English language skills are essential when working with people outside Japan, so we offer employees training designed to systematically improve their English skills, including beginner and intermediate courses aimed at improving basic skills. We also offer local language

courses for employees who will be stationed in non-English-speaking countries.

In addition to language training, we run a program in which younger employees are dispatched to non-English-speaking emerging countries for three years (one year of language training + two years of work experience at a local affiliate). Plans are also in place for training programs at overseas subsidiaries.

Supporting Lifelong Education

In keeping with the Revised Act for Stabilization of Employment of Older Persons, Mitsubishi Motors is encouraging the reemployment of retirees aged 60 and over to steadily hand down the techniques, knowledge and experience of skilled workers.

We are also working to support the lifelong career development of our employees. For instance, we regularly hold Good Life Seminars, a joint undertaking with the labor union geared toward employees aged 50 and over, where we give post-retirement life planning advice.

◆ Fiscal 2018 Seminars for Future Good Life

Number of seminars	4 in total across the company
The number of participants	109

Career formation and evaluation

Personnel System

Regarding career formation, we have put in place a system which enables employees to proactively set their own goals based on their achievements, capabilities, and life plans, while elevating their capacity to achieve these goals.

As a specific career development method, employees participate in interviews with their superiors every year. The interviews are held based on their Career Development Plans in which employees describe a future career course they hope to take and their medium- to long-term career design by reflecting on their past career. The aim of this process is to have employees build an objective picture of their challenges and then proceed along a career path they have formed for themselves with conviction and a high degree of motivation. In the personnel system for section managers and general managers, we have introduced “Commitment & Target” and “Assessment of MMC WAY Embodiment” as tools for enhancing management in order to revitalize the organization. In doing so, we aim to: (1) Share organizational objectives and foster a sense of responsibility for achieving these objectives, (2) Enhance incentives for achieving objectives, (3) Enforce mindset and behavior expected from employees, and (4) Make appointments and promotions according to merit.

We have also introduced “Commitment & Target” and “Assessment of MMC WAY Embodiment” into the personnel system for non-management personnel, with an aim of: (1) Sharing organizational objectives and instilling a sense of responsibility for achieving them, (2) Raising transparency and employee approval of evaluations and employee treatment, and (3) Promoting the establishment of shared values.

Employees

Human Resource Development



Evaluation Standards: MMC WAY

We have created six, simple keywords that capture the minimum necessary preparation and behavior required as Mitsubishi Motors employees.

MMC WAY

Mindset	Actions
<ul style="list-style-type: none"> ◇ Cross-functional Work beyond organizational boundaries ◇ Transparent Candid and accountable ◇ Look outward Go out and learn 	<ul style="list-style-type: none"> ◇ Commit Achieve quantifiable goals ◇ Challenge Take proactive action for value creation ◇ Perform Results with sense of speed

Fair Compensation System

Mitsubishi Motors introduced a remuneration system that allows for appropriate compensation based on the roles, degree of contribution, and weight of the roles and responsibilities of each employee. We provide the system to enhance each employee’s career and motivation. In conjunction with raises given annually based on individual performance, raises are also given according to advances in career.

We comply with local laws and regulations regarding wage levels and set wage levels according to job classifications, taking into consideration industry levels. There are no discrepancies in wages based on race, nationality, sex, or other such reasons.

▶ DATA (P.90): Wage Levels

Evaluation Process (Non-Managerial Employees)

In May, employees are provided feedback on the results of their evaluation score for the prior year and set their objectives for the current year.

Supervisors routinely observe the behavior of employees to assess their embodiment of MMC Way. As for evaluations based on Commitment & Target, objectives are finalized by July by the employee together with his or her supervisor, followed by an interim interview in October or November. Employees conduct self-evaluations in March of the following year, after which a final evaluation is conducted in April to finalize the annual evaluation.

Employees

Occupational Health and Safety



Policies

Ensuring the health and safety of employees is the foundation of corporate activities. Mitsubishi Motors has established a Health and Safety Management Policy, and is continually taking related measures.

Basic Policy

1. We will undertake companywide activities with emphasis on each process of the PDCA cycle to eliminate workplace risks and hazards with safety taking priority over all else. Within each activity, confirmation, follow-up, and improvement will be carried out successively and continuously.
2. Workplace supervisors from senior management down will implement comprehensive health and safety management measures under their own responsibility with an awareness that ensuring health and safety is the foundation of management. They will strive to create a workplace culture of discipline with consideration for others and a strict attitude of not engaging in, not allowing others to engage in, and not overlooking unsafe conduct. All workplace supervisors will also work to create a workplace culture that fosters open communication where subordinate personnel feel that they can say anything through honest dialogue at any time and to raise awareness of health and safety.
3. Each employee shall observe basic rules and conduct guidelines relating to safety to protect their own safety and endeavor to create healthy workplaces with no accidents by conducting on health and safety activities in cooperation with all Mitsubishi Motors personnel with a strong commitment to complying with decisions that they have made and decisions that have been made by others.

4. Companywide efforts shall be made to create clean and comfortable work environments, prevent disease, and promote the health and physical well-being of each employee.
5. Health and safety management shall be implemented in accordance with the Mitsubishi Motors Health and Safety Management System.

Management Organization

The Central Production Committee comprises the lead officer, heads of production sites, and labor union representatives, and meets once a year to assess the status of measures taken over the year for such issues as occupational safety, traffic safety, natural disaster preparedness and health management. The committee also sets quantitative targets for health and safety in the coming year, determines priority measures, and takes action to achieve the targets.

◆ Targets and Results

Initiative	Ideal image	Indicator	FY2018 Results	FY2019 Targets
Creation of safe workplaces	Realize safe and secure workplaces	Overall accident rate*	0.41	Ongoing measures for the creation of safe workplaces

* Number of accidents with or without loss of workdays per 1 million working hours

Initiatives

Initiatives to Ensure Workplace Safety

Mitsubishi Motors works to create safe and secure workplaces where all employees can dedicate themselves to their work with a feeling of reassurance. In particular, we strive to prevent accidents in production sites, which account for around 80% of workplace accidents. In order to prevent these, we identify unsafe conditions or employee behaviors in all work situations and make improvements. Additionally, we create safe workplaces by carrying out mutual safety checks at production sites by senior officials and workplace supervisors to identify commonly overlooked hazards. Other measures include adopting improvement proposals and requests raised by employees. We also established “safety training schools” at each business site to raise hazard awareness and conduct hands-on hazard training so that all employees can experience hazardous situations firsthand. In fiscal 2018, there were four workplace accidents involving the loss of one or more workdays, up one from fiscal 2017. There were no fatal accidents. The main causes of these accidents were insufficient safety checks by workers and overlooked unsafe conditions. In fiscal 2019, as well as providing hazard prediction training, we are taking synchronized, company-wide, in-depth efforts for workplace safety, such as by ensuring the prevention of similar accidents and carrying out thorough pre-work safety checks. As for assessing our compliance with safety-related laws and regulations, we use checklists to conduct self-checks of each workplace and to conduct reciprocal checks

Employees

Occupational Health and Safety

on other workplaces to ensure thorough compliance. Following on from Mitsubishi Motors Thailand (MMTh) in fiscal 2017, a compliance assessment was conducted for Mitsubishi Motors Philippines Corporation (MMPC) in fiscal 2018. Going forward, we will expand these assessments to other locations.

With the aim of strengthening our health and safety management structure and further raising the level of management, we also plan to rebuild the company-wide health and safety management system, and to acquire ISO 45001 by fiscal 2022.

▶DATA (P.90): Accident Rate

Mental and Physical Health Initiatives

For the purpose of maintaining and improving the mental and physical health of our employees, Mitsubishi Motors prioritizes two key measures: guidance on preventing lifestyle-related diseases and measures for maintaining good mental health.

Given that mental health issues account for more than half of absences due to illness, and that such absences have been increasing since fiscal 2016, we have positioned mental health measures as a company-wide priority issue and have introduced an outside Employee Assistance Program* (EAP), a type of mental health program.

The number of employees who were absent from work due to the onset of mental health issues increased by 16% in fiscal 2018 compared to the previous fiscal year. Given that work-related concerns account for approximately 80% of all cases, we have placed priority on prevention with the aim of providing care for individuals, encouraging care of subordinates by superiors, and improving workplace environments. We have compiled 13 priority

measures along with company-wide health and safety management into the Mitsubishi Motors Mental Health Promotion Plan, which we announced as part of the Top Message as we strive to revitalize our efforts. We arrange face-to-face sessions with industrial physicians or counselors for employees determined to be experiencing high levels of stress based on the results of annual stress checks. Following an appeal for employees to actively attend sessions with industrial physicians, explaining the purpose of the sessions and about how confidentiality is assured, the number of employees wishing to attend these sessions increased by about 70% compared to the previous fiscal year. We also assess stress levels at each workplace, conduct training to improve workplace communications, and conduct a program delivered by outside counselors to improve workplace environments. In fiscal 2018, 54 workplaces accessed this program in an effort to make improvements. We are creating environments where employees feel comfortable consulting about their concerns with consultation desks for individuals. We have established consultation desks with counselors, attorneys, tax accountants, and other professionals and made them available not only to employees, but also to their family members.

* An employee support program that seeks to improve individual and workplace health by implementing organizational mental health measures, offering health consultations on individual physical or mental health issues, and addressing compliance and other issues.

Labor-Management Relations



Mitsubishi Motors supports the basic principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact, and guarantees fundamental labor rights to employees. Our labor agreement stipulates that the labor union has the three rights of labor (the right to organize, the right to collective bargaining, and the right to collective action).

As of April 2019, our labor union had 12,655 members (excluding reemployed senior staff), accounting for 99% of general employees excluding officers and management.

Status of Labor-Management Communications

The labor-management council is regularly held along with collective bargaining as an opportunity for labor management discussions. These discussions aim to share information about issues such as working conditions and the working environment, and labor and management then work together to solve these issues.

In fiscal 2018, 50 discussions were held between the Company headquarters and union headquarters, and many discussions were also held between offices and union branches in each business site.

For important topics such as major changes in working conditions, we organize a labor-management expert committee and make decisions after careful consideration and discussions and management.

We are also working to build good relationships with labor unions at overseas affiliates in accordance with the labor laws and regulations of each country.

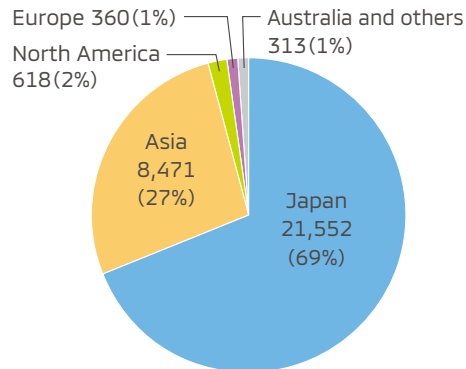
Employees

Human Resource-Related Data

Number of Employees

		FY2016	FY2017	FY2018
Number of employees (non-consolidated)	Total	13,222	13,693	14,171
	Male	11,932	12,336	12,695
	Female	1,290	1,357	1,476
Number of employees (consolidated)		29,604	30,507	31,314
Number of temporary workers (consolidated)		3,892	7,122	8,682

Number of Employees by Region: 31,314 (consolidated)



Number of Locally-Hired Managerial Employees at Overseas Subsidiaries

Number of managerial employees	Persons	1,028
	Ratio	11%
Number of employees		9,762

(As of March 2019)

Employee Makeup (non-consolidated)

		FY2016	FY2017	FY2018
Average age	Male	41.1	41.9	41.6
	Female	38.3	39.2	38.5
Average years of service	Male	16.7	16.6	16.7
	Female	12.3	12.8	12.4
Number of employees who have left the company (total)		665	539	533
Retirement		221	248	272
Voluntary retirement		421	249	240
Involuntary retirement		8	2	7
Work transfer, other		15	40	14

Number of New Graduates Hired

		FY2016	FY2017	FY2018
Total	Male	298	220	314
	Female	40	31	54
University graduate/ Master's degree or above	Male	196	133	226
	Female	34	27	47
Junior college/ vocational school graduates	Male	2	1	5
	Female	0	0	0
High school graduates/ other	Male	100	86	83
	Female	6	4	7

Working Hours and Ratio of Paid Leave Taken

	FY2016	FY2017	FY2018
Total working hours per person/per year	2,092.9 hours	2,115.5 hours	2,131.2 hours
Overtime worked per person	328.3 hours	329.5 hours	372.3 hours
Ratio of annual paid leave taken	81.6%	82.6%	86.6%

Status of Female Management Promotions

		As of July 2017	As of July 2018	As of July 2019
Number of female managers*1	Persons	49	58	68
	Ratio	2.9%	3.5%	3.9%
	General manager or above	6	11	13
Number of female executives*2	Persons	2	3	5
	Ratio	5.1%	7.7%	12.5%

*1 Excludes employees dispatched to other companies.

*2 Number of female executives includes outside directors.

Employees

Human Resource-Related Data

Number of Persons Taking Childcare Leave and Retention of Returnees

		FY2016	FY2017	FY2018
Number of persons taking childcare leave	Total	86	127	131
	Male	3	6	10
	Female	83	121	121
Retention rate of returnees*		91.9%	92.3%	100%

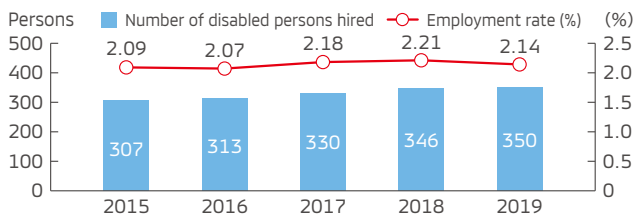
※ : $\frac{\text{Total number of employees still employed 12 months after returning to work from childcare leave}}{\text{Total number of employees whose childcare leave ended during the previous reporting period}} \times 100$

Major Programs to Promote Work-Life Balance

FY 2018 Results		Male	Female	Total
Childcare	Pregnancy leave	0	9	9
	Maternity leave	0	65	65
	Childcare leave	10	121	131
	Child nursing leave	279	190	469
	Reduced working hours for childcare	5	178	183
Nursing care	Nursing care leave	2	0	2
	Short-term nursing care leave	185	56	241
	Reduced working hours for nursing care	2	6	8
Miscellaneous	Life plan leave	119	34	153
	Accumulation of unused paid leave	577	55	632
	Flexitime system (including managerial employees)*	6,762	1,040	7,802
	Telecommuting system	260	203	463
	Reemployment system			
	* Number of employees registered as candidates for re-hiring under the reemployment system (in fiscal 2018, no employees were rehired under this program)	0	4	4
	Accompanying leave	0	9	9

* With regard to the flexitime system, the number of employees eligible to use the system (as of April 2019)

Employment of People with Disabilities



* In accordance with the Act for Promotion of Employment of Persons with Disabilities, one severely disabled person is recognized as two people

Fiscal 2018 Training Results

Number of employees who took courses during the year (total)	20,350 employees
Total number of hours attended	186,147 hours
Number of course hours/days per employee	13.1 hours / 1.7 days
Training expenses per employee	¥34,509

Wage Levels

Starting pay	High school graduate Administrative and Engineering staff	¥165,000
	High school graduate Manufacturing Worker	¥171,000
	Technical college graduate	¥184,700
	Junior college graduate	¥169,500
	University graduate	¥208,500
	Master's degree	¥230,500
	Doctor of Philosophy	¥264,500
Average salary of all employees (annual)	¥7,418,000	
Percentage of women's salaries to men's salaries (annual salary)	78%	
Ratio of Valuable Compensation	General Manager	Maximum of 35% of annual basic salary
	General Manager (responsible for specific duties)	Maximum of 25% of annual basic salary
	Manager	Maximum of 20% of annual basic salary

Accident Rate (Accident Frequency)

	FY2016	FY2017	FY2018
Overall accident rate*1	0.54	0.60	0.41
Accident rate with loss of workdays*2	0.06	0.09	0.10

*1 Number of accidents with or without loss of workdays per 1 million working hours

*2 Number of accidents with loss of workdays per 1 million working hours

Employee Shareholding Association

	As of March 2019
Number of members of the employee shareholding association	1,260
Membership rate	8.3%
Shares owned	1,716,971

Human Rights

Basic Approach and Policies

Approach/Policy to Human Rights

Based on the idea that respect for human rights is the foundation of our business activities, in May 2019, Mitsubishi Motors announced its support for the United Nations Global Compact (UNGC) in which the United Nations advocates the ten principles in the four categories of human rights, labor, environment, and anti-corruption. As a participating company, we support and respect international standards and norms such as “the International Bill of Human Rights,” “the ILO’s Declaration on Fundamental Principles and Rights at Work,” and “the United Nations Guiding Principles on Business and Human Rights.” Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

As a global company, Mitsubishi Motors believes that respect for human rights and anti-corruption initiatives are very important.

Based on that idea, in order to further specify initiatives for the respect of human rights and anti-corruption, in May 2019, a partial revision was made to the MITSUBISHI MOTORS Global Code of Conduct.

“Respect Human Rights and Diversity, Provide Equal Opportunity” in the Global Code of Conduct specifies that discrimination, retaliation and harassment are not permitted in any form or to any extent, and that the diversity of suppliers, customers, executives, employees and local communities shall be respected in addition to respecting human rights.

In fiscal 2019, in the newly enacted Mitsubishi Motors “Human Rights Policy,” specific initiatives are defined,

including support and respect for international standards and norms regarding human rights, matters for compliance, and the implementation of human rights risk evaluations and executive/employee training.

[Human Rights Policy](#) PDF

Consideration for Human Rights in Work and Investment

As we believe that positive relationships based on mutual understanding between employees and everyone in the community are essential to the sustainability of our business, when establishing business sites or related facilities, we give consideration to the cultural values of the country and region including customs and religions.

Prohibiting Discrimination

In our Human Rights Policy, executives and employees are required to respect diversity and to create equal opportunities with no allowance for unfair discrimination or harassment on bases such as race, skin color, nationality, ethnicity, family origin, sex, sexual orientation, gender identity, age, disability, language or religion. Also, we emphasize the importance of diversity in our training programs, and we encourage our employees to work together with respect for diverse values.

Management Systems

Framework of Human Rights Enlightenment

We offer human rights awareness training companywide headed by the executive in charge of human resources. Personnel in charge of education stationed at our business sites are working to raise human rights awareness among employees by conducting lectures using shared educational materials. We also participated in events held by the Industrial Federation for Human Rights, Tokyo, of which we have been a member for some time, and the Mitsubishi Human Rights Enlightenment Committee and attended conferences, research meetings, and so on held by other external organizations, gathered information, and took measures to improve understanding (approx. 100 days in fiscal 2018). The insights gained from these opportunities have been reflected in internal training and other purposes.

Human Rights Compliance in the Value Chain

Not only do we carry out initiatives with consideration for human rights internally but also we place great importance on initiatives that give consideration to human rights among suppliers by specifying matters of respect for human rights in the Supplier CSR Guidelines, including the complete elimination of discrimination and the prohibition of child labor and forced labor. In February 2019, in order to clarify the items required of suppliers, a new chapter entitled “Our Call to Suppliers” was added to the guidelines. Also, we confirm that suppliers agree to consider human rights by receiving “SUPPLIER COMMITMENT.” At sales companies, we carry out initiatives to provide a work environment with consideration for the health and safety of employees and we prohibit acts that infringe on human rights.



Human Rights



Management Systems

Establishment of Consultation Offices regarding Human Rights

In order to make timely responses in cases where a human rights related issue occurs within the company, we have established internal and external consultation offices (helplines) for whistle blowing and consultation for employees.

Also, having established a Business Partner Helpline for suppliers, and a Customer Contact Center as a consultation office for customers, we are receiving reports and request of consultations regarding human rights issues.

Confidentiality and user anonymity is guaranteed at all of these consultation offices.

Establishment of Internal and External Consultation Offices (Helplines) P.107
 For further information regarding the Business Partner Helpline, please go to P.94
 For further information regarding the Customer Contact Center, please go to P.72

Initiatives

Human Rights Education and Training

Human Rights Education Programs

In order to encourage all employees to cultivate their respect for human rights, Mitsubishi Motors is offering courses that deepen understanding toward human rights within its training programs tailored to each job rank, beginning with entry-level employee training. In fiscal 2018, we conducted a total of 620 hours of human rights training for 654 employees including entry-level employees, mid-career employees, and newly promoted managers (general managers/managers). Details of the training are described below.

Entry-level employees	The significance of corporate initiatives regarding human rights, fundamental knowledge regarding human rights, etc.
Mid-career employees	Recent topics regarding human rights, the relation between our business and human rights, etc.
Newly promoted managers	Recent topics regarding human rights, prevention of harassment, roles of managers, etc.
Newly promoted general managers	Provision of expertise needed as workplace managers, etc.

In addition to training, we also regularly distribute information on human rights related topics to all divisions within the company with the aim of raising awareness of human rights.

Continuing from fiscal 2018, with regard to LGBT issues, a topic that is attracting societal interest, we conducted educational seminars mainly for personnel responsible for human rights in each division. In the future, we plan to enhance the content and increase the frequency of these seminars.

Training Programs by Type	Number of Participants	Attendance Rate
Entry-level employee training	291	100%
Mid-career employee training (newly promoted)	206	100%
Newly promoted manager training	157	100%
Seminars to raise understanding of LGBT issues	249	— *

* Attendance ratio not disclosed for voluntary attendance

TOPICS

Participation in the United Nations Global Compact

In May 2019, Mitsubishi Motors announced its support for the United Nations Global Compact (UNGC) that provides the universal principle regarding human rights, labor, the environment and anti-corruption advocated by the United Nations. The UNGC are voluntary behavioural principles for companies that were proposed by former UN Secretary-General Kofi Annan at the 1999 World Economic Forum (Davos Conference). Based on the 10 principles of the UNGC, we will continue our activities toward the realization of the sustainable growth of society.

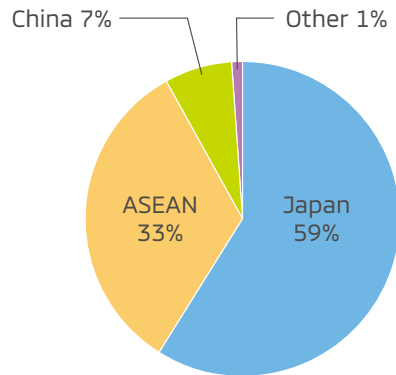
Deploying Supply Chain Sustainability Initiatives (Social)



Basic Approach and Policies

With approximately 800 parts supplier companies, Mitsubishi Motors and its main production bases concentrated in the ASEAN region recognize the magnitude of their influence, including on tier 2 and subsequent suppliers. As such, we are strengthening collaboration with our suppliers to maintain and increase sustainable competitiveness across the entire supply chain. We promote industry-leading quality, cost competitiveness, and localization. We work as one with our suppliers to contribute to society on a foundation of shared Supplier CSR Guidelines.

◆ Part Procurement Ratios by Region (FY2018)



Supplier CSR Guidelines

Aiming for collaborative initiatives with suppliers, Mitsubishi Motors formulated its Supplier CSR Guidelines in 2010. Through these guidelines, we promote collaborative activities with our suppliers from the same point of view. The scope of these activities covers all domestic suppliers and their quality, while also including labor practices, environment management, and compliance. Also, having reestablished these guidelines in February 2019, we have specified the implementation of supplier CSR initiative evaluations by third party agencies and measures to be taken when compliance violations are discovered. We have also received statements of agreement regarding compliance with the guidelines from suppliers.

[Supplier CSR Guidelines](#)

Procurement Guidelines are posted on our portal site for suppliers, which suppliers have ready access to.

Please see here for the Expansion of Green Procurement Guidelines P.46

Policies and Initiatives for Conflict Minerals

The “conflict minerals” (tin, tantalum, tungsten and gold) produced in the Democratic Republic of the Congo and neighboring countries have become a source of funding for armed groups, resulting in serious violations of human rights.

In order to ensure that it is not complicit in human rights abuses through the procurement of these conflict minerals, our Supplier CSR Guidelines clearly state our policy of not using conflict minerals as raw materials, and we promote responsible procurement.

Green Procurement Guidelines

Mitsubishi Motors formulated its Green Procurement Guidelines in 2012 to ensure that its procurement and manufacturing have minimal impact on the environment and to promote green procurement alongside suppliers. These guidelines request that suppliers manage environmentally hazardous substances and promote the three R’s (reduce, reuse, and recycle).

In addition, we clearly state in the Parts Purchase Agreement signed with our suppliers that they are requested to comply with our Green Procurement Guidelines. Our Supplier CSR Guidelines and Green

Deploying Supply Chain Sustainability Initiatives (Social)



Management Organization

Supply Chain Management Organization

In April 2018, Mitsubishi Motors, Renault and Nissan established the APO (Alliance Purchasing Organization), a joint purchasing organization that integrates the three companies' purchasing functions. This organization carries out its activities with the three shared pillars of trust, respect, and transparency as its basic principles. The organization selects business partners using uniform process and evaluation standards, provides numerous suppliers with opportunities for participation, and operates fairly.

Establishing a Business Partner Helpline

As part of our efforts to adhere to the METI guidelines, we have established a Business Partner Helpline for the suppliers of our procurement division. The helpline receives opinions and comments from business partners, quickly identifies compliance issues or concerns, such as legal or regulatory infractions or unfair practices in our procurement activities, and promptly rectifies them, striving to achieve even fairer business transactions.

In addition to putting into effect management based on the Supplier CSR Guidelines, Mitsubishi Motors holds a Suppliers Meeting each year to share and spread information about CSR policy in conjunction with procurement and other policies. We not only adhere to the guidelines for proper trading in the automotive industry formulated by Japan's Ministry of Economy (METI), but also request that our tier 1 suppliers follow these guidelines as well to ensure that transactions are properly handled with tier 2 and subsequent suppliers.

◆ FY2018 Results and Targets for FY2019

Initiative	Ideal image	Indicator	FY2018 Results	FY2019 Targets
Reinforcement of CSR in Supply Chain	We promote healthy supply chain management by ensuring full consideration is given to the environment, labor and human rights in the supply chain	<ul style="list-style-type: none"> Promoting the purpose of Supplier CSR Guidelines Recommendation of third party supplier CSR evaluations 	<ul style="list-style-type: none"> Updating Supplier CSR Guidelines and providing supplier briefing sessions Explaining the aims of third party evaluations to suppliers 	<ul style="list-style-type: none"> Expansion of Supplier CSR Guidelines to Mitsubishi Motors overseas production bases Support for implementation of third party supplier CSR evaluations

Deploying Supply Chain Sustainability Initiatives (Social)

Initiatives

Promoting Supply Chain Management

Sharing of Supplier CSR Guidelines

At Mitsubishi Motors, the Supplier CSR Guidelines were reestablished in February 2019, and we have received statements of agreement regarding compliance with the guidelines from suppliers.

In the future, we will expand these guidelines to suppliers from work locations in Thailand, Indonesia and the Philippines taking into consideration the situation in each region based on these guidelines.

Supply Chain Auditing

In order to mutually confirm and promote CSR activities with suppliers, we will request statements of agreement for the Supplier CSR Guidelines, and, as an APO, regarding the evaluation of supplier CSR activities, we will start to use the same third party evaluations as Renault-Nissan. We regularly conduct quality audits and quality selfcheck guidance with our suppliers to improve quality along the entire supply chain.

In fiscal 2018, we conducted process audits at 89 suppliers and 115 plants. Improvements to issues pointed out during these audits were generally implemented in three months or less. Quality selfchecks were also conducted at 352 supplier plants. We will continue to improve communication and quality across the supply chain through these activities.

Audits, etc. also provide guidance regarding the creation of systems for rapidly tracing the sources of defects found in parts manufactured by suppliers, who used this information to improve their systems.

Ensuring Knowledge of the Guidelines within the Company

As part of managing the Supplier CSR Guidelines, we take efforts to ensure that the guidelines are well-known within the company. As part of Mitsubishi Motors procurement training, we conduct training for new employees (both entry-level employees and new midcareer employees), as well as training when employees are transferred. In fiscal 2018, briefings were held when the guidelines were reestablished in February 2019.

Communicating with Suppliers

Providing suppliers with appropriate information and two-way communication is essential for proper supply chain management. At the end of every fiscal year, Mitsubishi Motors holds Suppliers Meeting to make our policy for the next fiscal year well-known. In Japan, we help the Mitsubishi Motors Cooperation Council, a voluntary organization of around 200 supplier companies, hold lectures and conduct research activities each year.



Chairperson Masuko gives a speech to the Mitsubishi Motors Cooperation Council

Promotion of Localization

Mitsubishi Motors has a basic policy of procurement from local business partners whenever possible when local procurement is effective and technologically feasible, excluding cases in which local parts manufacturing is difficult, with the aim of maximizing local procurement rates at overseas bases.

For parts which are already locally procured, we also promote the local procurement of the components used within these parts, etc., to optimize costs.

We conduct advance audits of the systems and structures of new business partners, evaluating items such as their development capabilities, production capabilities, and quality management capabilities and issuing improvement instructions if necessary. We also provide support to local business partners by serving as a go-between with Japanese business partners moving into their regions, joint ventures with local business partners, technical partnerships, and the like. We strive to contribute to local regions by creating local jobs and improving local technical capabilities.



Deploying Supply Chain Sustainability Initiatives (Social)

Initiatives

Initiatives for Business Continuity Plans in the Supply Chain

To reduce the risk of suspended manufacturing operations due to a shortage of parts during a largescale natural disaster, Mitsubishi Motors formulates business continuity plans (BCPs) in the supply chain and takes measures that include finding alternative production for each supplier and part. In addition, we ask that our suppliers be registered in the damage status confirmation system, so that in the event of a natural disaster, the damage status of plants will be reported to us immediately.

We have created a special supplier map that enables us to better understand the status of damage and risk with regard to not only tier 1 but also tier 2 and subsequent suppliers.

Our parts suppliers have already formulated their BCPs. In fiscal 2018, so as to maintain and improve the effectiveness of BCP, we developed a Checklist and requested that suppliers conduct self-evaluation.

In fiscal 2019, we plan to use the supplier self-evaluation results, to provide feedback on our evaluation of the Checklist to suppliers.



Social Contribution Activities



Policies

Social Contribution Activities Policy

Based on its corporate vision and mission, Mitsubishi Motors carries out its STEP social contribution activities, focused on four main themes: support for the next generation, traffic safety, environment preservation, and participation in local communities.

- S**upport for the next generation
Supporting the education of the next generation to create a prosperous future
- T**raffic safety
Contributing to traffic safety education and the spread of safe driving to strive towards a zero-accident society
- E**nvironment preservation
Contributing to the preservation of our precious global environment
- P**articipation in local communities
Contributing to the revitalization and development of regional communities

Breakdown of Social Contribution Expenditures*1

Unit: million yen

	FY2016	FY2017	FY2018
Support for the next generation	216	208	259
Traffic safety	6	8	4
Environment preservation	47	137	236
Participation in local communities	35	83	74
Support for disaster-stricken areas	24	25	62
Other*2	55	79	42
Total expenditure	383	540	677
Social contribution expenditure as a ratio of ordinary income	0.94%	2.32%	1.05%

*1 Mitsubishi Motors' expenditures on a non-consolidated basis, including donations as well as in-kind benefits, employee activities, and free use of company facilities converted into monetary equivalents. However, it does not include fund-raising and volunteer activities individually conducted by employees.

*2 Including support for sporting activities, donations to the Mitsubishi Foundation, etc.

Initiatives

Mitsubishi Motors STEP Funds and Matching Gift Program

The Mitsubishi Motors STEP Funds, introduced in April 2009, is a structure through which employees can continuously participate in social contribution activities by voluntarily donating fixed sums to the funds. These funds are then used for to support activities in developing countries and areas struck by the Great East Japan Earthquake, in line with the purposes of Mitsubishi Motors' social contribution activities. The company also matches donations made by the Mitsubishi Motors STEP Funds.



Support Recipient

- World Vision Japan
- OISCA International (The Organization for Industrial, Spiritual and Cultural Advancement-International)
- The MICHINOKU Future Fund
- Kindergartens, Nursery schools, elementary schools, etc., near Mitsubishi Motors workplaces

Support for the Construction of New Elementary School Building

With cooperation from World Vision Japan, we have supported the construction of a new elementary school building for the Camayse Elementary School in Santa Rita City, Samar State in the Philippines. By means of the construction of the new school building, an improvement has been made in the situation where two grades of students had to study in the same classroom. Also, by means of this support, Mitsubishi Motors aims to make the local society and community as a whole more aware of the importance of child education and more proactively involved in school management.



Children pleased with the new school building



Classroom furnished with windows and electricity

Donation of traffic safety picture books

Mitsubishi Motors donates traffic safety picture books (a set of six books) to elementary schools, libraries, and other organizations located near worksites in Japan to teach children about traffic safety rules and manners in an easy to understand format. In fiscal 2018, 558 books were donated in 93 locations, and a total of 5,436 books have been donated in 906 locations since 2010.



Traffic safety picture books (a set of six books)

Social Contribution Activities

Initiatives



Support for the next generation

Hands-on Lessons Program

Based on the idea of helping children to enjoy learning by experiencing the “real thing,” every year since 2005, Mitsubishi Motors has dispatched employees to elementary schools where they conduct classes about the environment to teach students about the relationship between cars and environmental problems, and design classes where students learn about the fun that comes from making things and about working with cars.

In fiscal 2018, 3,418 students attended these classes at 56 schools. Approximately 39,000 children have participated in these classes since 2005.



Children learning about the structure of electric vehicles

Support for Vocational Training Schools in Indonesia

Mitsubishi Motors Krama Yudha Indonesia (MMKI) began a support program for vocational training schools in 2017, the year in which it was established. In 2018, this program was implemented in 10 vocational training schools in West Java Province with a total of 1,044 students participating.



Traffic Safety

Driving School

Mitsubishi Motors offers a limited-participation driving school to learn driving tips as well as important information about cars and safety. The concept of this driving school is for both participants and staff to think and learn together while having an enjoyable time.

38 people participated in fiscal 2018, and a total of 155 people have participated since fiscal 2014.

Also, we held a school in collaboration with the “Metropolitan Expressway Driving Course” implemented by Metropolitan Expressway Company Limited.



Participants learning driving tips

Environment Preservation

Pajero Forest

Mitsubishi Motors is collaborating with OISCA to preserve forests in Hayakawa-cho, Yamanashi Prefecture, while interacting with the local community through volunteer employee activities. These activities aim to protect metropolitan water sources and spread awareness of the environment among our employees.

In fiscal 2018, under the direction of the Hayakawa-cho forest union, 60 volunteer employees and their family members trimmed undergrowth, while 104 new employees worked on thinning and maintaining sidewalks within the forest.



Trimming undergrowth in planted areas

Afforestation in the Philippines

In March 2018, Mitsubishi Motors Philippines Corporation (MMPC) donated 2.6 million pesos to the DENR (Department of Environment and Natural Resources) for tree-planting projects. Not only does this contribute to the improvement of the local environment and the preservation of habitats for living things, but also it leads to the improved level of life for local residents by preparing agricultural land suited to high-added value crops.



Social Contribution Activities

Initiatives



Participation in Local Communities

Sports Classes

With the objective of promoting sports in local areas, employees hold sports classes, including baseball, rugby and soccer, for elementary, junior and senior high school students in areas near domestic business sites. In fiscal 2018, these classes were held a total of 10 times with 669 people participating.

Also, in Mabi-cho, Kurashiki City, which was struck by the heavy rains that hit west Japan in July 2018, a soccer event was held by players from Urawa Red Diamonds and Mitsubishi Mizushima FC.



Baseball classes in the Mizushima area

Disaster Assistance

Support in Japan

Immediately after the Great East Japan Earthquake, we carefully listened to the needs of the disaster-stricken areas, created a mechanism to support them through our business and in our employees' daily lives, and have been continuously providing support under the theme of "Don't Forget/Stay Connected."

Every effort is made to provide a wide range of support in response to emergency situations such as natural disasters. This includes contributions through donations, free loan of vehicles, and volunteer work by employees. In fiscal 2018, we assisted with travelling expenses to employees participating in volunteer activities and provided support materials to support disaster-stricken areas in the July 2018 Heavy Rain Disaster.



Employees loading up support materials

Support in Asia

In September 2018, a major M7.5 earthquake struck the center of Sulawesi island in Indonesia, which affected many residents. Our local vehicle production base, Mitsubishi Motors Krama Yudha Indonesia (MMKI), and Mitsubishi Motors Krama Yudha Sales Indonesia (MMKSI) donated 1 billion Indonesia rupiah (approx. 8 million yen) as a contribution to the disaster-stricken area. Also, MMKI and MMKSI loaned two Mitsubishi Triton pickup trucks to the disaster area as rescue vehicles.



Donation of funds to disaster-stricken areas

◆ Main Support in Fiscal 2018

	Disaster	Assistance	Support Recipient
July 2018	July 2018 Heavy Rain Disaster	• Donation of 16 million yen	Okayama Prefecture, Kyoto Prefecture, Shiga Prefecture, Gifu Prefecture, Kurashiki City, and Soja City
		• Provision of materials • Free loan of 19 vehicles	Kurashiki City, Soja City
September 2018	September 2018 Hokkaido Eastern Iburi Earthquake	• Five million yen in donations • Free loan of 16 vehicles	Hokkaido
October 2018	September 2018 Sulawesi Island Earthquake in Indonesia	• Eight million yen in donations • Free loan of two vehicles	Sulawesi island, Indonesia

Governance

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Basic Policy and Framework for Corporate Governance



Basic Approach and Policies

Mitsubishi Motors considers compliance to be its highest priority, and works for the ongoing strengthening and improvement of corporate governance as a priority issue for management with the aim of sustainable growth and improvement of its corporate value to meet the expectations of all of its stakeholders, including its shareholders and customers.

System of Corporate Governance

As part of the further strengthening of corporate governance, as of June 21, 2019, we made explicit the separation of supervisory and executive functions, and while working to further enhance supervisory functions and ensure thorough risk management in order to ensure the soundness and transparency of management, changed to a company with three committees in order to realize agile execution of business that can rapidly respond to changes in the business environment.

(1) Board of Directors and Members of the Board

(i) Composition of Members of the Board

The Board makes decisions on important management issues and oversees the execution of business by Executive Officers. As of June 30, 2019 the Board consists of 15 Directors (including 4 female members), 12 of whom oversee the Company as Outside Directors each with considerable experience and a high level of insight. Furthermore, the Tokyo Stock Exchange has been provided notice that six of the Outside Directors are

Independent Officers.

We believe that these Outside Officers make insightful comments at Board meetings and on other occasions based on their considerable experience and knowledge as professors, novelists, attorneys-at-law, accountants, and diplomats, and sufficiently fulfill their duties as Directors. The Company will continue to build a structure with awareness of the balance and diversity of knowledge, experience and capabilities, as well as the scale, of the Board as a whole.

(ii) Independence standards for outside directors

We have established independence standards for outside directors as follows, and we appoint as independent directors those persons who are not at risk of having a conflict of interest with general shareholders.

<Independence standards for outside directors>

The Company's Outside Directors must occupy a neutral position, independent from the Company's operational management and must not be:

1. An executive of a major shareholder*¹ of the Company
2. An executive of a major business partner*² of the Company, or of a company for which the Company is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender*³ to the Company or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of the Company
5. A consultant, an accounting professional such as a certified public accountant, or a legal professional such as an attorney-at-law who receives a large amount*⁴ of monetary consideration or other property other than compensation of Members of the

Board from the Company (in the event such property is received by a corporation, association or other group, then any person belonging to such group)

6. An executive of a company with which the Company shares a Director
7. An executive of an organization that is receiving a large*⁴ donation or grant from the Company
8. A person to whom any of 1 through 7 has applied during the past 3 years
9. A person with a close relative (second degree of kinship) to whom any of 1 through 7 applies
10. A person whose total period in office as an Outside Director exceeds 8 years
11. Other persons for whom the possibility of a relationship with the Company appears strong under substantive and comprehensive consideration of the situation

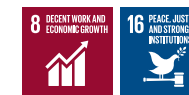
*1. A shareholder who owns a 10% or greater share of voting rights
 *2. A business partner of the Company with annual transactions valued at 2% or more of either the Company's consolidated net sales in the most recent fiscal year or the business partner's consolidated net sales in the most recent fiscal year
 *3. A financial institution that provides the Company with loans amounting to 2% or more of the Company's consolidated total assets at the end of the most recent fiscal year
 *4. An amount of consideration received from the Company that is 10 million yen or more

(iii) Analysis and evaluation of the effectiveness of the Board of Directors

We evaluate the effectiveness of the Board of Directors in order to continuously improve the effectiveness of corporate governance.

In fiscal 2018, we analyzed and evaluated the composition of the Board, the Board's operating environment and other matters through a

Basic Policy and Framework for Corporate Governance



questionnaire survey of all Directors and Audit & Supervisory Board Members.

As a result of the evaluation, we have judged that there are no serious concerns or other issues regarding the effectiveness of the Board of Directors. The main issues recognized in the evaluation are as follows:

- Enhancing understanding and discussion of management and business strategies
- Providing opportunities to further deepen the understanding of outside directors about the Company's business
- Coordination of Board resolution items and report items in connection with the change to being a company with three committees

The Company will work to continue to strengthen corporate governance by further improving the effectiveness of the Board, including initiatives for major issues recognized through analysis and evaluation of the Board.

(2) Committees

The Board has the following three statutory committees of which Outside Directors comprise the majority of the Members and the Company has established a system that monitors Directors and Executive Officers as well as facilitates corporate governance.

(i) Nomination Committee

The Nomination Committee makes decisions on resolution proposals for the appointment of Directors. The Nomination Committee also deliberates matters such as appointment and dismissal standards for Directors, Executive Officers, and Executive Managing Officers and appointment and dismissal proposals and succession plans for the Company's CEO. An Independent Outside Director (Main Kohda) serves as the chairperson.

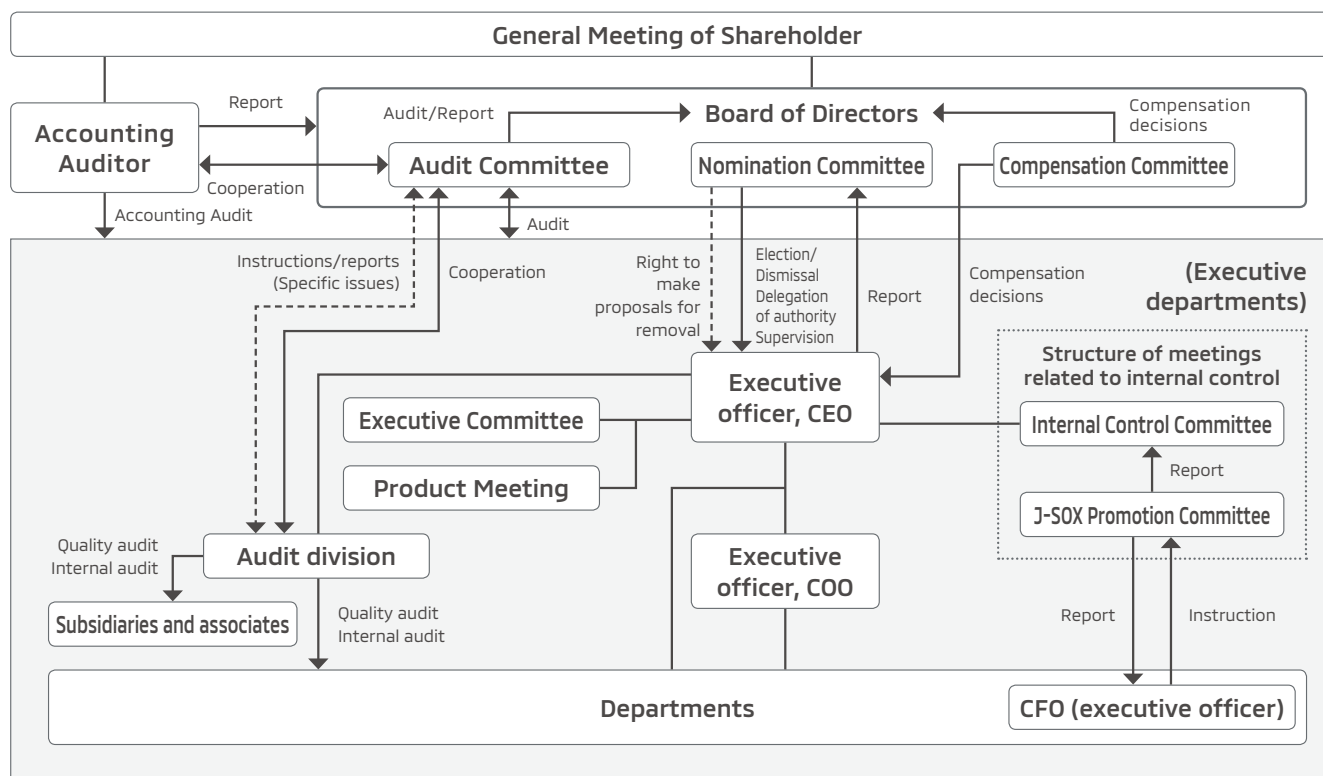
(ii) Compensation Committee

The Compensation Committee deliberates and determines the policy regarding determination of remuneration of Directors and Executive Officers, as well as the details of individual remuneration. An Outside Director (Shunichi Miyanaga) serves as the chairperson.

(iii) Audit Committee

The Audit Committee supervises the execution of the duties of Directors and Executive Officers and prepares audit reports, and also implements internal investigations based on the judgment of the Board. An Independent Outside Director (Yaeko Takeoka) serves as the chairperson.

◆ Corporate Governance Framework (As of June 30, 2019)





Basic Policy and Framework for Corporate Governance

(3) Executive Officers

Executive Officers decide business-related matters and carry out the business of the Company, with the CEO as the division head with decision-making authority related to the execution of business as granted by the Board. As of June 30, 2019, there were 12 Executive Officers (including the CEO).

(4) Executive Managing Officers

Executive Managing Officers manage the functions or business of the Company, pursuant to delegation by the Board or CEO, and carry out the Company's business within such scope. As of June 30, 2019 there were 15 Executive Managing Officers.

Status of Audit Committee Audits and Internal Audits

(1) Status of Audit Committee audits

With respect to audits by the Audit Committee, the Audit Committee receives reports on the performance of duties from other Directors and Executive Officers, and conducts audits of the implementation and operation of the internal control systems at the Group through cooperation with internal audit departments and the Accounting Auditor, or directly conducts audits itself. Based on the results of the foregoing, the Audit Committee audits legal compliance and appropriateness in the performance of their duties by Directors and Executive Officers.

(2) Status of internal audits

The Company has established internal audit departments (the Internal Audit Department and the Quality Audit Department) in the Audit Division (an independent organization reporting directly to the CEO) and these departments systematically

conduct internal audits based on the annual audit plan.

The Internal Audit Department conducts audits to determine whether operational management of the Group is being conducted with transparency using appropriate processes.

The Quality Audit Department conducts audits regarding the proper execution of the quality-related work of the Group.

Audit results from internal audits conducted by the Internal Audit Department and the Quality Audit Department are reported directly to the CEO.

(3) Cooperation between the Audit Committee and internal audit departments

The Audit Committee Members regularly hold meetings with the Internal Audit Department to receive information regarding internal audit results within the Company and at its affiliated domestic and overseas companies, and to provide feedback to the Internal Audit Department on the status of the Audit Committee Members' audits.

Items Relating to Takeover Defense

Not applicable.

Internal Control

Policies and Organization

Based on the “Basic Policy on the Establishment of Internal Control Systems”* established by resolution of the Board of Directors, Mitsubishi Motors monitors the status of operations and strives to improve and reinforce internal control systems.

Mitsubishi Motors recognizes the gravity of its improper conduct in fuel consumption testing, on top of past quality problems, and in fiscal 2017 made profound reforms to its internal control system as one of its priority measures aimed at regaining trust.

First, it appointed a Vice President in charge of Global Risk Control to manage compliance and operation risk and regularly report on governance improvement measures to the Board of Directors. Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the CFO, handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act. The Internal Control Committee, chaired by the CEO and vice-chaired by the Vice President in charge of Global Risk Control, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the reports and resolution contents decided on by subcommittees in each internal control field, such as compliance, information security, risk management, and J-SOX, in accordance with the “Basic Policy on the Establishment of Internal Control Systems.” From fiscal

2018 and onwards, the company will proceed to create a global internal control system through establishing and operating internal control committees at its major affiliates in Japan and overseas.

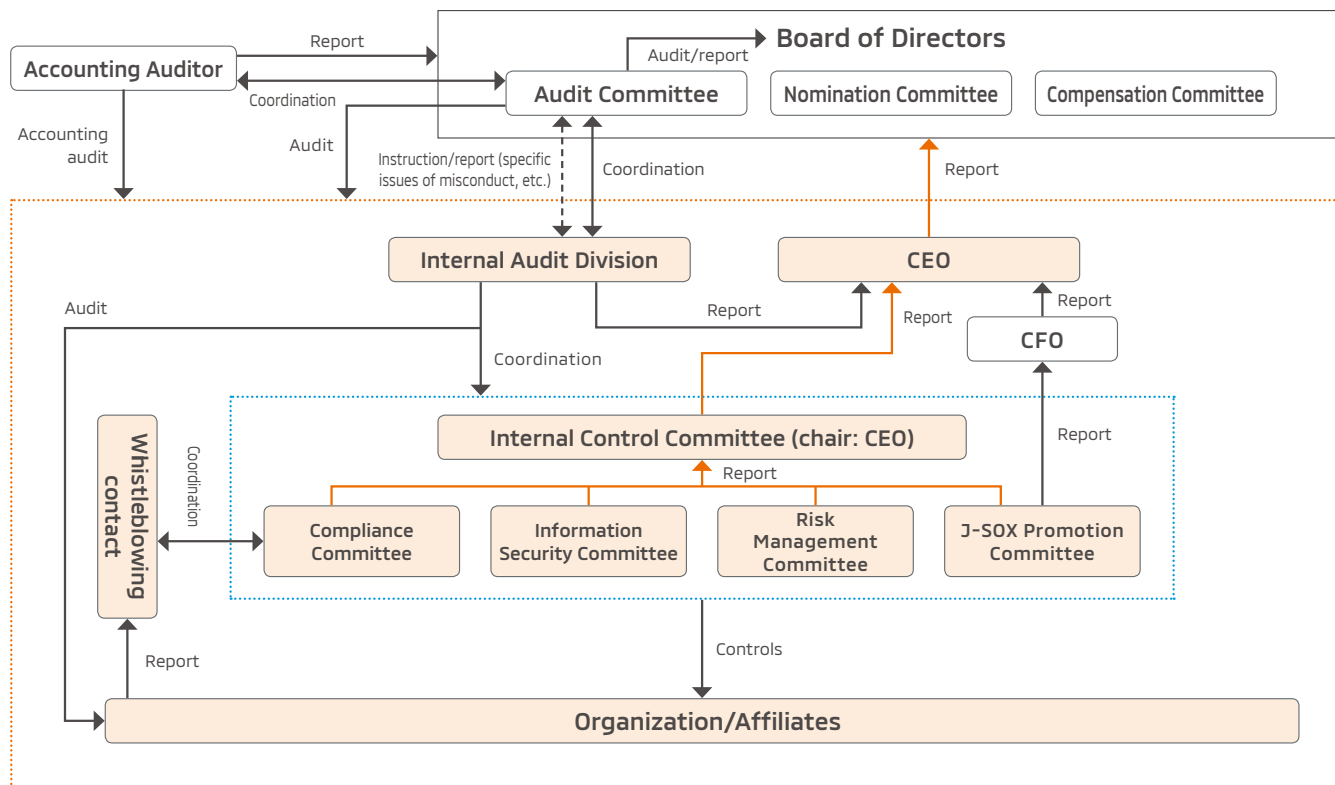
Mitsubishi Motors has also positioned the Internal Audit Division as independent of business execution. The Internal Audit Division coordinates with other committees, including the Internal Control Committee,

with the aim of achieving effective and efficient internal control system operation.

Going forward, we will continue with initiatives to further reinforce governance by working to ensure compliance with laws and regulations and to promote proper, effective business execution in line with changes in the domestic and overseas environments.

* See here for “Basic Policy on the Establishment of Internal Control systems” [PDF](#)

Internal Control Structure



Risk Management

Basic Approach and Policies

Mitsubishi Motors has defined a policy for the management of business risks in the form of the Basic Policy on the Establishment of Internal Control Systems, and promotes risk management activities throughout the entire Mitsubishi Motors Group. We consider it one of our most critical management issues to appropriately assess risks to the Mitsubishi Motors Group’s business, prevent risks from occurring, and engage in appropriate management to minimize the impact of risks that do occur.

Development of Risk Management Framework

Mitsubishi Motors has put in place and works to improve its risk management system for the entire Group through three types of risk management activities: priority risk management, departmental risk management and affiliated company risk management.

For priority risk management, we select risks that the entire Mitsubishi Motors Group faces directly, that have a high potential impact and a high degree of urgency. For each risk, we assign “risk owners,” who are of vice president or corporate vice president level, and work as quickly as possible to reduce these risks.

In departmental risk management, we have appointed risk management officers to each division or plant. These officers work to reduce risks through repeated application of the PDCA cycle involving identifying and evaluating each risk, devising and implementing countermeasures,

and monitoring.

Affiliated company risk management involves regular confirmation by Mitsubishi Motors of the status of initiatives addressing various risks faced by subsidiaries and associates and activities such as business continuity planning improvements. Improvement suggestions and guidance are provided as required.

These risk management activities are regularly reported to the Board of Directors as key internal control measures.

In addition, to prepare for unforeseen contingencies Mitsubishi Motors has developed emergency contact systems that enable the rapid communication of information to directors and other key personnel, as well as a swift and accurate response. In particular, to create a crisis management system to respond when serious incidents occur, we have formulated an emergency response manual. This manual outlines the establishment of an emergency response organization and clarifies the chain of command, enabling us to put appropriate response systems into place.

The Mitsubishi Motors basic policy in times of disaster—such as earthquake or other natural disaster or an outbreak of infectious disease—to ensure the safety of customers, as well as employees and their families, and assist local communities. We are preparing disaster countermeasures and business continuity plans (BCPs) to this end.

We conduct drills in communicating among various manufacturing facilities and Group companies on the basis of a presumed emergency.

As preparations against the possibility that employees will be unable to return to their homes for a three-day period, we have ensured means through which they can

communicate with their families, cached emergency supplies and are conducting initiatives for communicating with local municipal authorities.

We have formulated plans of operation that assume a large-scale earthquake or major outbreak of infectious disease. We work to improve these BCPs through regular drills and communication among individual regions.

Compliance



Basic Approach and Policies

Corporate activities are closely interlinked with various laws and public systems such as those related to the environment, labor, and consumer protection. Corporate activities must be carried out in compliance with these laws and systems. Mitsubishi Motors recognizes that the failure to appropriately comply with these laws, regulations, and systems would not only impede its business continuity, but would also place significant burdens on society and the environment. In order to fulfill its social responsibilities as a company by not only complying with laws, international rules, and internal regulations but also by respecting changing social norms to the greatest degree possible, Mitsubishi Motors has issued a "Global Code of Conduct" to serve as a standard of conduct for all executives and employees. We are also redoubling our efforts to enhance our compliance framework and employee training, including those at our major affiliates in Japan and overseas.

Mitsubishi Motors Global Code of Conduct

【Principle】

Mitsubishi Motors Group Companies (collectively herein referred to as "Mitsubishi Motors Group" or "Company") have set this Global Code of Conduct that all Mitsubishi Motors Group executives and employees must follow in order to fulfill our social responsibilities as a company.

This Global Code of Conduct applies to all Mitsubishi Motors Group executives and employees. Each member of the Company is charged with responsibility to comply this Global Code of Conduct.

1. Comply with all Laws and Rules

We shall comply with all applicable laws and regulations of the country where the Company conducts business as well as all Company policies and rules.

2. Promote Safety

We shall maintain and promote a healthy work environment, and engage in safe work practices. We are also committed to ensuring the safety of our customers and passengers, and continually promoting the safety of products.

3. Avoid Conflict of Interest

We shall act in the best interests of the Company, and shall not behave, act, or use any information contrary to the Company's interests. Furthermore, we shall strive to avoid any conduct that may be considered a conflict of interest.

4. Prohibit association with anti social forces

We shall never have any association with anti-social forces whatsoever. We shall not participate in acts of terrorism, drug dealings, money laundering, and other individual or organized criminal activities.

5. Preserve Company Assets

We shall safeguard the Company's assets, and shall never use the said assets, including funds, confidential business information, physical properties and intellectual properties without permission.

6. Be Impartial and Fair

We shall maintain impartial and fair relationship with public servants as well as business partners, including dealers, suppliers, and other third parties. We shall not participate in or endorse any corrupt practices including bribery, directly or indirectly such as through a third party.

7. Be Transparent and Accountable

We shall maintain accounts and records relating to corporate management with integrity, and disclose Company's business activities fairly and transparently to our stakeholders, including shareholders, customers, employees, and local communities with timely and properly manner.

8. Respect Human Rights and Diversity, Provide Equal Opportunity

We shall respect the human rights and diversity of suppliers, customers, other executives, colleagues, and local communities. We shall never tolerate discrimination, retaliation or harassment in any form or degree.

9. Be Environmentally Responsible

We shall strive to take into consideration environmental conservation when developing products and providing services, and promote recycling, as well as resource and energy savings.

10. Be Active and Report Violations

We shall carry out our work in accordance with this Global Code of Conduct. When we have come to know any violation of this Global Code of Conduct, we shall immediately report it to the Company, and the executives and employees who have come forward with such information based on their own beliefs shall be infallibly protected from any form of retaliation.

Compliance



Management Structure

In order to prevent compliance infractions, including information security infractions, from a global internal control perspective, each division or function appoints a compliance officer and department heads serve as code leaders, with the Vice President in charge of Global Risk Control providing overall leadership. Major subsidiaries and associates in Japan and overseas also appoint compliance

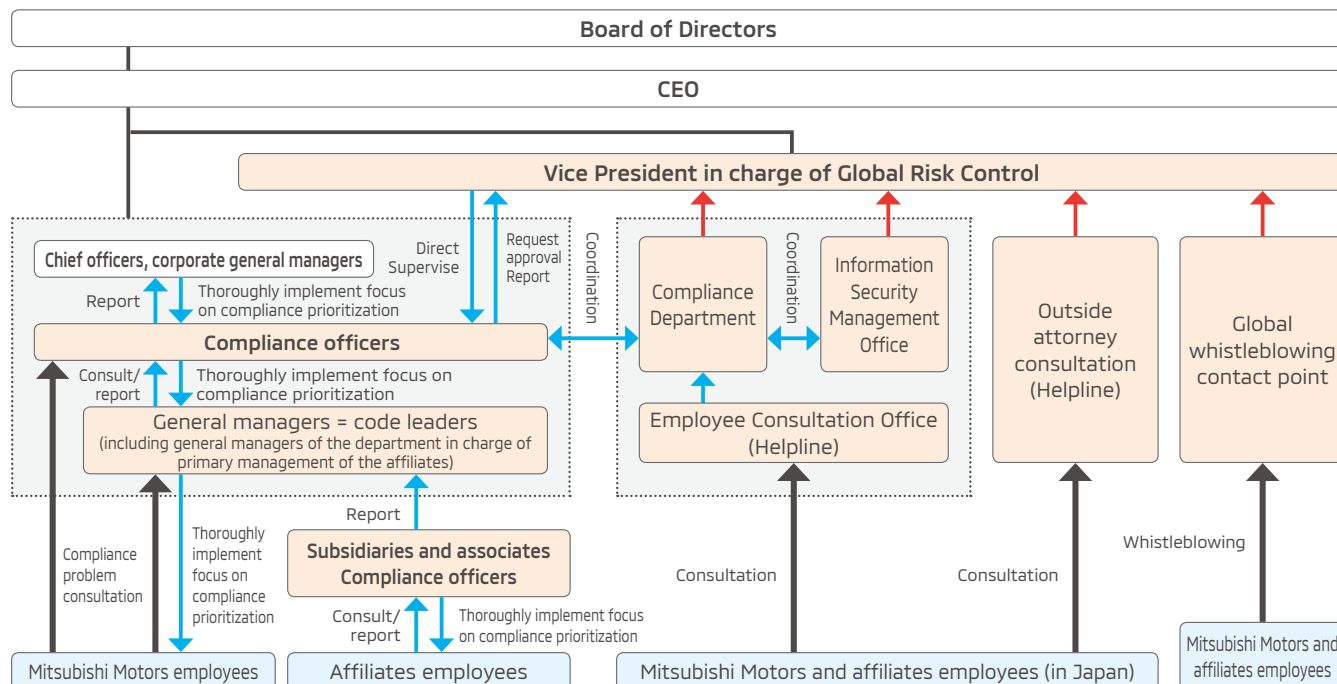
officers. To help prevent compliance infractions, in fiscal 2018 we established and started operating global whistleblowing contacts. Procedures are in place for reporting of serious compliance concerns ultimately to the Board of Directors via code leaders and compliance officers. As required, compliance officers give their departments appropriate instructions for dealing with problems, taking corrective action and preventing a recurrence. As for internal controls related to financial reporting,

we verify compliance structures and procedures for financial summaries. If inadequate controls are found at a company being evaluated, we request reporting on the nature of the problem and improvements being made. In fiscal 2018, we checked the status of 23 Group companies (Mitsubishi Motors, 10 domestic affiliates, and 12 overseas affiliates).

Establishment of Internal and External Consultation Offices

To prevent and promptly detect improper conduct, Mitsubishi Motors has established an internal consultation office (Employee Consultation Office) allowing employees of the Company or its subsidiaries and associates in Japan to report or consult about such conduct. Outside the Company, we have set up a consultation office staffed by outside attorneys, as well as the Mitsubishi Motors Global Hotline, accessible to employees both in Japan and overseas. In fiscal 2018, these offices fielded 221 reports or consultations. Offices endeavor to swiftly resolve issues raised in reports and consultations after first seeking to confirm the facts through an investigation by the Employee Consultation Office or by enlisting the assistance of relevant compliance officers. Information received about compliance issues or issues with potential business risks is immediately reported to the Vice President in charge of Global Risk Control. After receiving instructions on how to respond, offices endeavor to resolve the issues. In handling such information and in investigating the relevant facts, we established our “Compliance- Oriented

◆ Organizational Framework for Promoting Compliance



Compliance

Whistleblowing Operation Procedure” and made company personnel aware of the provision in order to ensure that persons who seek consultation are not treated unfairly. We have also established a Business Partner Helpline designated to be used by our business partners. The Mitsubishi Motors Global Hotline established in fiscal 2018 was set up within an outside firm providing such services. This makes it possible to file anonymous reports. Systems for identifying and managing risks of the entire group have been put in place, too, with Mitsubishi Motors headquarters even able to check details of reports from subsidiaries and associates.

◆ **Number of Reports/Consultations Fielded by Consultation Offices by Category (FY2018)**

Item	Number
Corporate/business proposals	12
Workplace environment	32
Labor relations	20
Human relations/harassment	46
Compliance, violations of operational rules, fraud	41
Others	70

Education and Training

Every fiscal year we formulate compliance-related education and training programs, and offer them to employees stratified by each job rank. Each division also draws up and conducts its own measures under the direction of the compliance officer. Specifically, in order to improve the compliance awareness of all employees, when new graduates or mid-career recruits join the company, they receive training regarding Mitsubishi Motor’s compliance history and the lessons to be learned from it. This training is repeated when employees are given promotions, helping reinforce employees’ sense of compliance. Furthermore, similar training is also offered in some Japanese affiliates, fostering such sense for the group as a whole. We also use e-learning and lectures by outside instructors in legal compliance training relating, for example, to environmental laws, the Labor Standards Act, and security trade control laws, to provide employees with the most current information related to their own work. In particular, we have put effort into harassment prevention training since fiscal 2018, starting with group workshops, mainly for managers, involving opinion exchange. In fiscal 2019, the training will be extended to regular employees. On and around Safety Pledge Days,* each individual division voluntarily holds events to reaffirm the day’s significance. Workplace discussions are also held at the same time (two times a year) to talk about business ethics issues faced in the workplace and workplace culture. In addition, we provide easy-to-understand compliance-

related information by posting a Compliance Newsletter on our intranet every month.

* To prevent past incidents, such as the regrettable recall cover-up, from being forgotten over time, in October 2004 we designated January 10 and October 19 as “Safety Pledge Days.” These days were chosen because two fatal accidents involving large trucks manufactured by Mitsubishi Fuso, a former Mitsubishi Motors division, occurred on these days.

Anti-Corruption

Policies and Approach

The “Global Code of Conduct” clearly stipulates that Mitsubishi Motors executives and employees shall comply with laws and regulations and shall maintain fair and equitable relationships with public servants and business partners. Moreover, we have built and operate a system that is designed to prevent corruption.

Management Structure

Mitsubishi Motors implements e-learning programs for all employees to familiarize them with the Global Code of Conduct and allows them to review the code at any time by distributing pamphlets and posting it to a smartphone app (for managers and above). We also plan to communicate the code across the group, distributing the pamphlets to subsidiaries and associates in Japan, and in electronic form to subsidiaries and associates overseas. Mitsubishi Motors has management and operational standards for providing and receiving gifts or business entertainment. It expressly prohibits (1) providing gifts or business entertainment that is illegal or goes beyond generally accepted bounds, and (2) receiving illicit payoffs. In addition to this, we provide guidelines for the scope of



Compliance



exceptions to the above and make filing of an application compulsory to ensure transparency. If these standards are violated, the compliance officer of the relevant division formulates internal reports and implements preventative measures for the future.

Since many employees in sales sites directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. We work to prevent improper conduct at our affiliate domestic sales companies by defining regulations for handling cash, regularly making the compliance policies known, and providing tuition and training for thorough implementation of the policies. Each company implements site audits regularly, while our Internal Audit Division also conducts operational audits which results are reported to the Head Officer of our Domestic Sales Division and being followed up until the improvement measures of the pointed out issues are completed. We work to thoroughly prevent corruption when employees from the company are appointed as executives at overseas affiliates. Prior to their appointment, we provide training on compliance and internal controls, including the prohibition and prevention of corruption. In fiscal 2018, no fine or any other punishment was imposed on Mitsubishi Motors by regulatory authorities for corrupt practices. No employees have been disciplined for corrupt practices.

Information Security

Mitsubishi Motors recognizes its social responsibility to adequately protect its important information assets (information and the IT systems, equipment, media, facilities, and products that handle this information) in the course of its business activities in order to gain the trust of all its stakeholders. We seek to deliver the level of information security that society demands. This includes putting in place and reviewing internal regulations, managing information assets, strengthening measures to combat computer viruses and cyberattacks, and monitoring information security activities by the Information Security Committee.

Personal Information Protection


Based on our Privacy Policy, we have built a management framework by establishing internal rules and taking other measures. We also conduct ongoing education, such as through the use of e-learning for employees. These e-learning instructional materials are also distributed to major affiliates inside and outside Japan, to reinforce our information security system, including the protection of personal information. We endeavor to protect personal information, and have established task teams to implement measures to comply with personal information protection laws in countries around the world, such as the General Data Protection Regulation, the regulation concerning the protection of personal data in the EU.

Security Export Control

Mitsubishi Motors sincerely believes in the importance of strict security trade controls to prevent the proliferation of weapons of mass destruction and the excessive accumulation of conventional weapons in order to maintain international peace and security. To conduct strict export controls, we have established Security Export Control Regulations. We ensure the legality of our export transactions through our management system, with its The Security Export Control Committee, led by the CEO, who serves as chief security trade control officer.

List of Executives (as of June 21, 2019)

Outside Outside director
 Indep. Independent director
  Male
  Female

Name	Position	Attributes	Committees	Reasons for Appointment
Osamu Masuko	Chairman of the Board		Nomination Committee	Having been in charge of the Management of the Company for many years, Mr. Masuko has considerable insight and business experience concerning corporate management.
Takao Kato	Member of the Board		Compensation Committee	Having served as president of the Mitsubishi Motors subsidiary in Indonesia, one of its largest overseas manufacturing bases, and engaging in other operations of the Company for many years, Mr. Kato has considerable insight and business experience concerning global management and manufacturing.
Kozo Shiraji	Member of the Board		Audit Committee	In addition to his experience at the Company, Mr. Shiraji has considerable experience, achievements and insight through his long involvement with automotive business at a general trading company that operates worldwide.
Shunichi Miyanaga	Member of the Board	Outside 	Compensation Committee (Chairman)	Mr. Miyanaga has considerable experience, achievements and insight nurtured through his long-standing involvement in corporate management at a manufacturing company that operates worldwide.
Ken Kobayashi	Member of the Board	Outside 	Nomination Committee	Mr. Kobayashi has considerable experience and achievements as a corporate manager and extensive insight on global business management nurtured through his career at a general trading company that operates worldwide.
Hitoshi Kawaguchi	Member of the Board	Outside 	Nomination Committee	Mr. Kawaguchi has considerable insight and experience concerning the automotive business.
Hiroshi Karube	Member of the Board	Outside 	Compensation Committee	Mr. Karube has considerable insight and experience concerning the automotive business.
Setsuko Egami	Member of the Board	Outside Indep. 	Compensation Committee	Ms. Egami has considerable insight concerning corporate strategies, marketing strategies, human resources development and others.
Main Kohda	Member of the Board	Outside Indep. 	Nomination Committee (Chairman) Compensation Committee	In addition to extensive knowledge about international finance, Ms. Kohda has keen acumen and an objective perspective as a writer. She also has considerable insight and experience gained as a member of the Council of the Ministry of Finance and the Ministry of Land, Infrastructure, Transport and Tourism.
Yaeko Takeoka	Member of the Board	Outside Indep. 	Audit Committee (Chairman)	In addition to her experience as an Audit & Supervisory Board member of the Company, Ms. Takeoka has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.
Yoshitsugu Oba	Member of the Board	Outside Indep. 	Audit Committee	In addition to his experience as an Audit & Supervisory Board member of the Company, Mr. Oba has considerable knowledge and extensive insight as a specialist in accounting and auditing, having been active as an accountant for many years.
Kenichiro Sasae	Member of the Board	Outside Indep. 	Nomination Committee	Having held a series of important posts at the Ministry of Foreign Affairs, Mr. Sasae has a broad international understanding as a diplomat and considerable insight and experience.
Kiyoshi Sono	Member of the Board	Outside 	Audit Committee	Mr. Sono has considerable experience and extensive insight from serving as a corporate manager at international financial institutions.
Hideyuki Sakamoto	Member of the Board	Outside 		Mr. Sakamoto has considerable insight and experience concerning the automotive business.
Mitsuko Miyagawa	Member of the Board	Outside Indep. 	Audit Committee	Ms. Miyagawa has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.

For directors' career summaries, visit: [\(WEB\) https://www.mitsubishi-motors.com/en/company/director/](https://www.mitsubishi-motors.com/en/company/director/)

Executive Remuneration

Contents of Remuneration

Individual remuneration of Directors is not disclosed except in the case where disclosure is required, based on the Cabinet Office Ordinance.

Remuneration, etc., paid to Directors and Audit & Supervisory Board Members during the one-year period from April 1, 2018 to March 31, 2019 was as follows.

- A total of ¥217 million was paid as fixed compensation to 5 Directors (excluding outside Directors)
- A total of ¥52 million was paid as fixed compensation to 2 Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)
- A total of ¥138 million was paid as fixed compensation to 12 outside directors and Audit & Supervisory Board members.

Incentives

Performance-linked compensation and stock options are introduced to provide incentives for directors.

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Directors

Maximum remuneration of Directors of the Company (Resolution at an extraordinary shareholders meeting held on December 14, 2016)

- Monthly remuneration and performance-linked remuneration: ¥2 billion
 - Stock-related remuneration: ¥1 billion
- Specific timing and allocation of payment to each applicable director is decided at the Board of Directors. Total annual remuneration for fiscal 2018 is as shown above.

Audit & Supervisory Board Members

Individual remuneration of Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members.

Monthly remuneration of Audit & Supervisory Board Members of Mitsubishi Motors was set at an upper limit of ¥10 million per month (Resolution at the 45th Ordinary General Meeting of Shareholders held on June 25, 2014). Total annual payment made in fiscal 2018 is as shown above.

TOPICS

Director and Officer Compensation After Transition to a Company with Three Committees

Following the transition to a company with three committees, compensation paid to directors and executive officers of the Company in fiscal 2019 is to be determined by the Compensation Committee with reference to the executive compensation survey conducted by third party experts.

Remuneration paid to directors who concurrently serve as executive officers and other executive officers will comprise basic compensation, performance-linked compensation and stock-related compensation as in fiscal 2018.

Objectives are to pursue sustainable enhancement of corporate value sharing such values with shareholders and to secure talented human resources, outside the Company and from overseas.

Remuneration paid to directors who do not concurrently serve as executive officers consist only of basic compensation (fixed amount). Remuneration is not linked to performance nor does it reflect individual achievements; the role of overall supervisor is considered as independent from business execution.

GRI Standards Reference Chart

Item	Description	Index for applicable pages
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	a. Name of the organization	Corporate Overview
102-2	a. A description of the organization's activities b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	Corporate Overview Securities Report (P.5-6) Description of business
102-3	a. Location of the organization's headquarters	Corporate Overview
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Corporate Overview Securities Report (P.7-10) Description of business, Status of subsidiaries and associates
102-5	a. Nature of ownership and legal form	Corporate Overview Securities Report (P.38-45) Information about shares, etc.
102-6	a. Markets served	Corporate Overview Securities Report (P.5-10) Description of business, Status of subsidiaries and associates
102-7	a. Scale of the organization	Corporate Overview Employees>Human Resource-Related Data Securities Report (P.12) Employees (P.18-23) Management analysis of financial position, operating results and cash flows
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender b. Total number of employees by employment contract (permanent and temporary), by region c. Total number of employees by employment type (full-time and part-time), by gender d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.	Corporate Overview Employees>Human Resource-Related Data Securities Report (P.12) Employees
102-9	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services	Deploying Supply Chain Sustainability Initiatives (Social) Deploying Supply Chain Sustainability Initiatives (Environment) Securities Report (P.5-6) Description of business
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain	Basic Policy and Framework for Corporate Governance Securities Report (P.49-94) Information about corporate governance, etc. Corporate Governance Report (P.17-20) Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

GRI Standards Reference Chart

Item	Description	Index for applicable pages
102-11	a. Whether and how the organization applies the Precautionary Principle or approach	Environmental Management Corporate Governance>Risk Management Securities Report (P.14-17) Business-related risks
102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	Editorial Policy CSR Management>Management
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations	CSR Management>Management Human Rights>Initiatives
Strategy		
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	Commitment of Top Management Commitment on Material CSR Issues
102-15	a. A description of key impacts, risks, and opportunities	Commitment of Top Management Commitment on Material CSR Issues Securities Report (P.14-17) Business-related risks
Ethics and integrity		
102-16	a. A description of the organization's values, principles, standards, and norms of behavior	CSR Management>Policies Governance>Compliance
102-17	a. A description of internal and external mechanisms for:	Governance>Compliance Environmental Management> Environmental Risk Management Deploying Supply Chain Sustainability Initiatives (Social)> Establishing a Business Partner Helpline
Governance		
102-18	a. Governance structure of the organization, including committees of the highest governance body b. Committees responsible for decision-making on economic, environmental, and social topics	CSR Management>Management Governance>Internal Control Corporate Governance Report (P.27) Diagram of Governance Framework including Outline of Internal Control System
102-19	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees	Securities Report (P.49-94) Information about corporate governance, etc.
102-20	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics b. Whether post holders report directly to the highest governance body	CSR Management>Management Securities Report (P.49-94) Information about corporate governance, etc.

GRI Standards Reference Chart

Item	Description	Index for applicable pages
102-21	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body	Employees>Labor-Management Relations General Shareholders Meetings Corporate Governance Report (P.3) Basic Views>Policy for Constructive Dialogue with Shareholders
102-22	a. Composition of the highest governance body and its committees	Governance>List of Executives Corporate Governance Report (P.5-14) Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management Securities Report (P.49-94) Information about corporate governance, etc.
102-23	a. Whether the chair of the highest governance body is also an executive officer in the organization b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement	Securities Report (P.49-94) Information about corporate governance, etc.
102-24	a. Nomination and selection processes for the highest governance body and its committees b. Criteria used for nominating and selecting highest governance body members	Corporate Governance Report (P.1-3) Basic Views
102-25	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:	Corporate Governance Report (P.1-2) Basic Views
102-26	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organizations' purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	Securities Report (P.49-94) Information about corporate governance, etc.
102-27	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	Corporate Governance Report (P.1-2) Basic Views
102-28	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics b. Whether such evaluation is independent or not, and its frequency c. Whether such evaluation is a self-assessment d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	Governance>Basic Policy and Framework for Corporate Governance Corporate Governance Report (P.1-4) Basic Views
102-29	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities—including its role in the implementation of due diligence processes b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics, and their impacts, risks, and opportunities	Securities Report (P.14-17) Business-related risks (P.49-94) Information about corporate governance, etc.
102-30	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	Governance>Risk Management

GRI Standards Reference Chart

Item	Description	Index for applicable pages
102-31	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	Governance>Risk Management
102-32	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered	CSR Management>Management
102-33	a. Process for communicating critical concerns to the highest governance body	Governance>Compliance
102-34	a. Total number and nature of critical concerns that were communicated to the highest governance body b. Mechanism(s) used to address and resolve critical concerns	Governance>Compliance
102-35	a. Remuneration policies for the highest governance body and senior executives b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics	Governance>Executive Remuneration Corporate Governance Report (P.14-16) Incentives Securities Report (P.49-94) Information about corporate governance, etc.
102-36	a. Process for determining remuneration b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management c. Any other relationships which the remuneration consultants have with the organization	Governance>Executive Remuneration Corporate Governance Report (P.14-16) Incentives Securities Report (P.49-94) Information about corporate governance, etc.
102-37	a. How stakeholders' views are sought and taken into account regarding remuneration b. If applicable, the results of votes on remuneration policies and proposals	General Shareholders Meetings
102-38	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	—
102-39	a. Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	—
Stakeholder engagement		
102-40	a. A list of stakeholder groups engaged by the organization	CSR Management>Management
102-41	a. Percentage of total employees covered by collective bargaining agreements	Employees>Labor-Management Relations
102-42	a. The basis for identifying and selecting stakeholders with whom to engage	—
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	CSR Management>Management
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. How the organization has responded to those key topics and concerns, including through its reporting	—

GRI Standards Reference Chart

Item	Description	Index for applicable pages
Reporting practice		
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Securities Report (P.7-10) Status of subsidiaries and associates
102-46	a. An explanation of the process for defining the report content and the topic Boundaries b. An explanation of how the organization has implemented the Reporting Principles for defining report content	Editorial Policy
102-47	a. A list of the material topics identified in the process for defining report content	CSR Management>Identification of Material CSR Issues
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements	N/A
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries	N/A
102-50	a. Reporting period for the information provided	Editorial Policy
102-51	a. If applicable, the date of the most recent previous report	Editorial Policy
102-52	a. Reporting cycle	Editorial Policy
102-53	a. The contact point for questions regarding the report or its contents	Editorial Policy
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards	—
102-55	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include:	GRI Standards Reference Chart
102-56	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report b. If the report has been externally assured:	—
GRI103 Management approach 2016		
103-1	For each material topic, the following information shall be described: a. An explanation of why the topic is material b. The Boundary for the material topic c. Any specific limitation regarding the topic Boundary	CSR Management>Identification of Material CSR Issues Commitment on Material CSR Issues
103-2	For each material topic, the following information shall be described: a. An explanation of how the organization manages the topic b. A statement of the purpose of the management approach c. A description of the following, if the management approach includes that component:	CSR Management>Framework for promoting CSR CSR Management>Identification of Material CSR Issues Commitment on Material CSR Issues
103-3	For each material topic, the following information shall be described: a. An explanation of how the organization evaluates the management approach	CSR Management>Identification of Material CSR Issues Commitment on Material CSR Issues

GRI Standards Reference Chart

Item	Description	Index for applicable pages
Economical		
GRI201: Economic performance 2016		
201-1	a. Direct economic value generated and distributed b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance	Securities Report (P.98-99) Consolidated statement of income Social Contribution Activities>Policies (Breakdown of Social Contribution Expenditures)
201-2	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure	Securities Report (P.14-17) Business-related risks
201-3	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities b. If a separate fund exists to pay the plan's pension liabilities, its explain c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage d. Percentage of salary contributed by employee or employer e. Level of participation in retirement plans	Securities Report (P.130-132) Retirement benefits
201-4	a. Total monetary value of financial assistance received by the organization from any government during the reporting period b. The information in 201-4-a by country c. Whether, and the extent to which, any government is present in the shareholding structure	—
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	Employees>Human Resource-Related Data
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Commitment on Material CSR Issues Contribution to Local Economy through Business Activities
203-2	Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts	Commitment on Material CSR Issues Contribution to Local Economy through Business Activities
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Deploying Supply Chain Sustainability Initiatives (Social)
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Governance>Compliance
205-2	Communication and training about anti-corruption policies and procedures	Governance>Compliance

GRI Standards Reference Chart

Item	Description	Index for applicable pages
205-3	Confirmed incidents of corruption and actions taken	Governance>Compliance
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
Environment		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Environmental Data
301-2	Percentage of recycled input materials used to manufacture the organization's primary products and services.	—
301-3	Reclaimed products and their packaging materials	Environment>Resource Recycling Initiatives
GRI302: Energy 2016		
302-1	Energy consumption within the organization	Environmental Data
302-2	Energy consumption outside of the organization	Environmental Data
302-3	Energy intensity	—
302-4	Reduction of energy consumption	Environmental Data
302-5	Reductions in energy requirements of products and services	Environmental Data
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Environment>Conservation of Water Resources
303-2	Management of water discharge-related impacts	Environment>Conservation of Water Resources
303-3	Water withdrawal	Environmental Data
303-4	Water discharge	Environmental Data
303-5	Water consumption	Environmental Data
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment>Preservation of Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Environment>Preservation of Biodiversity
304-3	Habitats protected or restored	Environment>Preservation of Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environment>Preservation of Biodiversity

GRI Standards Reference Chart

Item	Description	Index for applicable pages
GRI305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental Data
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data
305-3	Other indirect (Scope 3) GHG emissions	Environmental Data
305-4	GHG emissions intensity	Environmental Data
305-5	Reduction of GHG emissions	Environmental Data CSR Management>Identification of Material CSR Issues Environment>Policies
305-6	Emissions of ozone-depleting substances (ODS)	Environmental Data
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Environmental Data
GRI 306: Effluents and Waste 2016		
306-1	Water discharge by quality and destination	Environmental Data Environment>Conservation of Water Resources
306-2	Waste by type and disposal method	Environmental Data
306-3	Significant spills	Environmental Management>Environmental Risk Management
306-4	Transport of hazardous waste	Environment>Prevention of Pollution
306-5	Water bodies affected by water discharges and/or runoff	Environment>Conservation of Water Resources
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Environmental Management>Environmental Risk Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Environment>Deploying Supply Chain Sustainability Initiatives (Environment)
308-2	Negative environmental impacts in the supply chain and actions taken	Environment>Deploying Supply Chain Sustainability Initiatives (Environment)
Social		
GRI 401: Employment 2016		
401-1	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	Employees>Human Resource-Related Data

GRI Standards Reference Chart

Item	Description	Index for applicable pages
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees>Human Resource-Related Data Securities Report (P.130-132) Retirement benefits
401-3	Total number of employees that took parental leave, by gender.	Employees>Human Resource-Related Data
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Employees>Labor-Management Relations
GRI403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Employees>Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Employees>Occupational Health and Safety
403-3	Occupational health services	Employees>Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Employees>Labor-Management Relations
403-5	Worker training on occupational health and safety	Employees>Occupational Health and Safety
403-6	Promotion of worker health	Employees>Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
403-8	Workers covered by an occupational health and safety management system	Employees>Labor-Management Relations
403-9	Work-related ill health	Employees>Occupational Health and Safety Employees>Human Resource-Related Data
403-10	Work-related ill health	—
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Employees>Human Resource-Related Data
404-2	Programs for upgrading employee skills and transition assistance programs	Employees>Human Resource Development
404-3	Percentage of employees receiving regular performance and career development reviews	Employees>Human Resource Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Employees>Human Resource-Related Data
405-2	405-2 Ratio of basic salary and remuneration of women to men	Employees>Human Resource Development Employees>Human Resource-Related Data









GRI Standards Reference Chart

Item	Description	Index for applicable pages
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	—
GRI407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employees>Labor-Management Relations
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	—
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	—
GRI411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	—
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights>Management Systems
412-2	Employee training on human rights policies or procedures	Human Rights>Initiatives
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights>Basic Approach and Policies
GRI413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Contribution to Local Economy through Business Activities
413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Deploying Supply Chain Sustainability Initiatives (Social)
414-2	Negative social impacts in the supply chain and actions taken	Deploying Supply Chain Sustainability Initiatives (Social)
GRI 415: Public Policy 2016		
415-1	Political contributions	—










GRI Standards Reference Chart

Item	Description	Index for applicable pages
GRI416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Securities Report (P.5-6) Description of business
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Recall Information
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Safety and Quality>Improvement of Product, Sales, and Service Quality
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—
GRI419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Overview and Measures Regarding Improper Conduct in Fuel Consumption and Emissions Testing

SDGs Reference Chart

	Goal	MITSUBISHI MOTORS Sustainability Report 2019
	End poverty in all its forms everywhere	
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Delivering Products which Help Prevent Traffic Accidents ● Environment>Prevention of Pollution ● Safety and Quality>Delivering Products which Help Prevent Traffic Accidents ● Deploying Supply Chain Sustainability Initiatives (Environment) ● Deploying Supply Chain Sustainability Initiatives (Social)
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Work Style Reform ● Employees>Work Style Reform ● Employees>Diversity ● Employees>Human Resource Development
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Work Style Reform ● Employees>Work Style Reform ● Employees>Diversity ● Employees>Human Resource Development ● Human Rights
	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> ● Environment>Conservation of Water Resources ● Environment>Prevention of Pollution
	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Responding to Climate Change and Energy Issues ● Environment>Responding to Climate Change and Energy Issues
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Work Style Reform ● Commitment on Material CSR Issues>Corporate Governance, Compliance ● Employees>Work Style Reform ● Employees>Diversity ● Employees>Human Resource Development ● Employees>Occupational Health and Safety ● Deploying Supply Chain Sustainability Initiatives (Environment) ● Deploying Supply Chain Sustainability Initiatives (Social) ● Governance>Basic Policy and Framework for Corporate Governance ● Governance>Compliance

SDGs Reference Chart

	Goal	MITSUBISHI MOTORS Sustainability Report 2019
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Contribution to Local Economy through Business Activities ● Contribution to Local Economy through Business Activities
	Reduce inequality within and among countries	<ul style="list-style-type: none"> ● Employees>Diversity ● Employees>Human Resource Development ● Human Rights ● Social Contribution Activities
	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Contribution to Local Economy through Business Activities ● Contribution to Local Economy through Business Activities
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> ● Environment>Resource Recycling Initiatives ● Environment>Prevention of Pollution ● Environment>Deploying Supply Chain Sustainability Initiatives (Environment) ● Deploying Supply Chain Sustainability Initiatives (Social)
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Responding to Climate Change and Energy Issues ● Environment>Responding to Climate Change and Energy Issues
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> ● Environment>Preservation of Biodiversity ● Social Contribution Activities
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Corporate Governance, Compliance ● Governance>Basic Policy and Framework for Corporate Governance ● Governance>Compliance
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	<ul style="list-style-type: none"> ● Commitment on Material CSR Issues>Contribution to Local Economy through Business Activities ● Contribution to Local Economy through Business Activities

Third-Party Opinions



Keisuke Takegahara

Executive Officer
Deputy Chief Research Officer
Development Bank of Japan Inc.

In Fiscal 2018, Mitsubishi Motors advanced with strengthened CSR initiatives in one big step, and I strongly feel from Sustainability Report 2019 that the company intends to put these initiatives into good order and clarify its future course of action. The organization of the company has been greatly improved by establishing the CEO-chaired CSR Management Committee with the Administrative Office's Sustainability Promotion Department acting as its secretariat. You have also built the management framework necessary to realize a new corporate vision and mission, as well as to identify key Material CSR Issues (Materiality).

Such effort pinpoints Fiscal 2018 as a big turning point for the company's CSR.

In order to effectively communicate this great progress outside of the company, you have prepared content; the materialities and relevant management commitment with a strong, united message in the first half of the report. Through the new corporate vision "Create a vibrant society by realizing the potential of mobility," your company has presented the social structure it aims for and the organization of key issues into 15 materialities essential in order to achieve this vision and accomplish its mission, and the summarization of the management commitment allows readers to easily understand the company's strong message.

In particular, the report specifically indicates an awareness of the current situation and outlook for the future, as the commitment of the officer in charge, the Leader, concerning the six most important items. This directly shows your company's stance in earnestly dealing with the designated materialities, which I think is superb. Despite making it clear in the Commitment of Top Management that the report is targeted towards the various stakeholders, through introducing the concept for next mid-term business plan, "Small but Beautiful," you conveyed a message that was very conscious

of the logic of ESG investors, which is to pursue sustainability in the business model by pouring all efforts into "strength" such as electronic technology constructed over long periods of time and the ASEAN region. This was impressive.

This message is connected to every Material CSR Issues (Materiality). In particular I could feel a strong united theme of "contribution to local economy through business activities" throughout the whole message. The description of the 50-year contribution to the local economy through business in the ASEAN region and even more, which also refers to the necessity of investment and technology transfer was clear and persuasive.

It can be said that this message literally unites the solutions of social issues and the growth strategy of the company.

I assess that this report has steadily evolved as a tool to clearly communicate the CSR management of your company to the readers. As such, my expectations for your company grow accordingly.

If I may make one comment, I believe that the timeframe needs to be made clearer. It is clear that your corporate vision for future society built on mobility reform is based on your long-term outlook, however it would help if you reference the possible time span of this undertaking.

By looking back from the point of reference of the goal achieved, the meaning and state of progress of each individual initiative will be made clear. If the timeframe is made clear, the performance report in the latter part, which might be regarded as the introduction of the product line-up will better connect to the strong message of the first half of the report.

I am eager to see how your company deals with these issues in line with next mid-term business plan and a new vision for the environment. I look forward to this report improving even more.

Purpose of Publication

Mitsubishi Motors Corporation publishes a Sustainability Report to provide stakeholders with a better understanding of the Group's social responsibilities and the wide-ranging efforts aimed at fulfilling them.

Scope of This Report

Mitsubishi Motors Corporation and its Group companies in Japan and overseas

Period Covered

Fiscal 2018 (April 1, 2018 to March 31, 2019) When appropriate, the Report also includes some historical and recent data from outside the reporting period.

Date Published

Japanese edition: November 2019 (previous edition published October 2018, next edition to be published September 2020)

English edition: November 2019 (previous edition published November 2018, next edition to be published October 2020)

Reference Guidelines

- GRI Standards (Global Reporting Initiative)
- Environmental Reporting Guidelines (2018 edition) issued by the Ministry of the Environment of Japan

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Disclaimer

Mitsubishi Motors' current plans, strategies, assurances, business forecasts, and other nonhistorical matters indicated in this Sustainability Report include future predictions as of the time of publication.

Please note that these expectations, predictions, and forecasts include risk and volatility factors and hypotheses, and may significantly diverge from actual future results.

Help Us with Our Survey

Please share with us your opinions and thoughts so that we can improve our CSR activities and Sustainability Report.

[Click here to fill out the Sustainability Report Survey](https://www.mitsubishi-motors.com/en/csr/report/enq_view.html)

http://www.mitsubishi-motors.com/en/csr/report/enq_view.html

◆ Disclosure of Mitsubishi Motors financial and non-financial information

Mitsubishi Motors Global Website
[\(WEB\) https://www.mitsubishi-motors.com/en/](https://www.mitsubishi-motors.com/en/)

Non-financial information (WEB) https://www.mitsubishi-motors.com/en/csr	Financial information (WEB) https://www.mitsubishi-motors.com/en/investors/library/
 Sustainability Report	 Annual Report
 Corporate Governance Report	 Facts and Figures
	 Annual Securities Report
	 Business Report



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